

ACQUISITION AND DEVELOPMENT OF LAND BY THE DELHI DEVELOPMENT AUTHORITY

MINISTRY OF HOUSING AND URBAN AFFAIRS

**PUBLIC ACCOUNTS COMMITTEE
(2018-19)**

ONE HUNDRED AND THIRTY FIFTH REPORT

SIXTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

PAC No. 2174

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(SIXTEENTH LOK SABHA)

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Presented to Lok Sabha on: 21-12-2018

Laid in Rajya Sabha on: 21-12-2018

**LOK SABHA SECRETARIAT
NEW DELHI**

December 2018/ Agrahayana 1940 (Saka)

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2015-16)

Prof. K.V. Thomas - Chairperson

MEMBERS

LOK SABHA

2. Shri S.S. Ahluwalia
3. Shri Sudip Bandyopadhyay
4. Shri Ranjit Singh Brahmpura
5. Shri Nishikant Dubey
6. Shri Gajanan Kirtikar
7. Shri Bhartruhari Mahtab
8. Shri Ramesh Pokhriyal "Nishank"
9. Shri Neiphiu Rio
10. Shri Dushyant Singh
11. Shri Janardan Singh Sigriwal
12. Dr. Kirit Somaiya
13. Shri Anurag Singh Thakur
14. Shri Shivkumar Udasi
15. Dr. P. Venugopal

RAJYA SABHA

16. Shri Naresh Agrawal
17. Shri Satyavrat Chaturvedi
18. Shri Anil Madhav Dave
19. Shri Vijay Goel
20. Shri Bhubaneswar Kalita
21. Shri Shantaram Naik
22. Shri Sukhendu Sekhar Roy

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2017-18)

Shri Mallikarjun Kharge - Chairperson

MEMBERS

LOK SABHA

2. Shri Sudip Bandyopadhyay
3. Shri Subhash Chandra Baheria
4. Shri Prem Singh Chandumajra
5. Shri Nishikant Dubey
6. Shri Gajanan Chandrakant Kirtikar
7. Shri Bhartruhari Mahtab
8. Smt. Riti Pathak
9. Shri Neiphiu Rioh²
10. Shri Abhishek Singh
11. Prof. Ram Shanker
12. Dr. Kirit Somaiya
13. Shri Anurag Singh Thakur
14. Shri Shivkumar C. Udasi
15. Dr. P. Venugopal

RAJYA SABHA

16. Shri Naresh Agrawal³
17. Shri Satyavrat Chaturvedi³
18. Shri Bhubaneswar Kalita
19. Shri Mohd. Ali Khan⁴
20. Shri Sukhendu Sekhar Roy⁵
21. Shri Ajay Sancheti³
22. Shri Bhupender Yadav⁶

² Ceased to be a Member of Committee consequent upon acceptance of his resignation from Lok Sabha w.e.f. 22 February, 2018.

³ Ceased to be a Member of Committee consequent upon his retirement from Rajya Sabha on 2 April, 2018.

⁴ Elected w.e.f. 29 December, 2017 in lieu of vacancy caused due to retirement of Shri Shantaram Naik.

⁵ ceased to be a Member of Committee consequent upon his retirement from Rajya Sabha on 18 August, 2017 and re-elected w.e.f. 29 December, 2017.

⁶ Ceased to be a Member of Committee consequent upon his retirement from Rajya Sabha on 3 April, 2018.

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
2018-19

Shri Mallikarjun Kharge - Chairperson

MEMBERS

LOK SABHA

2. Shri Subhash Chandra Baheria
3. Shri Sudip Bandyopadhyay
4. Shri Prem Singh Chandumajra
5. Shri Gajanan Chandrakant Kirtikar
6. Shri Bhartruhari Mahtab
7. Smt. Riti Pathak
8. Shri Ramesh Pokhriyal “Nishank”
9. Shri Janardan Singh Sigriwal
10. Shri Abhishek Singh
11. Shri Gopal Shetty
12. Dr. Kirit Somaiya
13. Shri Anurag Singh Thakur
14. Shri Shivkumar Chanabasappa Udasi
15. Dr. Ponnusamy Venugopal

RAJYA SABHA

16. Prof. M. V. Rajeev Gowda
17. Shri Bhubaneswar Kalita
18. Shri Shwait Malik
19. Shri Narayan Lal Panchariya
20. Shri Sukhendu Sekhar Roy
21. Shri C.M. Ramesh
22. Shri Bhupender Yadav

SECRETARIAT

- | | | | |
|----|----------------------------------|---|----------------------|
| 1. | Shri A.K. Singh | - | Additional Secretary |
| 2. | Shri T. JayaKumar | - | Director |
| 3. | Shri Paolienlal Haokip | - | Additional Director |
| 4. | Shri Shankarnath Sharma Laimayum | - | Committee Assistant |

INTRODUCTION

I, the Chairman, Public Accounts Committee (2018-19) having been authorised by the Committee, do present this One Hundred and Thirty Fifth Report (Sixteenth Lok Sabha) on '**Acquisition and Development of Land by the Delhi Development Authority**' based on Chapter V of the C&AG Report No.17 of 2011-12 related to the Ministry of Housing and Urban Affairs.

2. The above-mentioned Report of the Comptroller and Auditor General of India was laid on the Table of the House on 06th September, 2011.

3. The Public Accounts Committee (2018-19) took up the subject for detailed examination and report. The Committee took evidence of the representatives of the Ministry of Housing and Urban Affairs on the subject at their sitting held on 14th December, 2018. The Public Accounts Committee (2015-16) and (2017-18) also took evidence of the representatives of the Ministry of Housing and Urban Affairs on the subject at their sitting held on 18th February, 2016 and 23rd June, 2017 respectively. Accordingly, a Draft Report was prepared and placed before the Public Accounts Committee (2018-19) for their consideration. The Committee considered and adopted this Draft Report at their sitting held on 20th December, 2018. The Minutes of the Sitzings are appended to the Report.

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

5. The Committee thank their predecessor Committee for taking oral evidence and obtaining information on the subject.

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

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

NEW DELHI;
20 December, 2018
29 Agrahayana, 1940 (Saka)

MALLIKARJUN KHARGE
Chairperson,
Public Accounts Committee

REPORT PART- I

I. INTRODUCTION

This Report is based on Chapter - V of the Report No. 17 of 2011-12 of the Comptroller and Auditor General of India relating to the subject "Acquisition and Development of land by the Delhi Development Authority". This performance Audit covered the activities relating to acquisition as well as development of land for the period 2005-10. Six out of twenty development schemes relating to this period were examined.

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

Audit Objectives

2. The performance audit was conducted to verify whether:

(i) Acquisition of land

- the land was acquired for the various development schemes as per the approved Master Plan of Delhi and was done as per the time schedule prescribed in the Master Plan.
- there were any discrepancies in implementation of enhancement of compensation rates and the redressal of disputes in apportionment of the compensation after full payment was made.
- there was adequate planning and execution of demolition programme for encroachment removal including legal measures.

(ii) Development of land

- the development schemes were properly framed and executed.
- the schemes executed were fruitfully utilized for the ordained purpose and the benefits reached the intended beneficiaries.
- proper monitoring mechanism was in place to ensure that the works were executed in accordance with the terms of the contracts.
- there was proper internal control system in existence to ensure the quality of work.

Audit Findings

3. The highlights of the Audit findings are as follows:

(i) Acquisition of land

- DDA did not prepare short/long term plan to achieve the ultimate phased objectives of implementation of Master Plan of Delhi-2021. High Level Committee constituted for this purpose did not meet regularly. Further the data base of progress was not prepared for proper monitoring.
- Expenditure of ₹ 84.98 crore was incurred on acquisition of land for construction of 100m road. However, road could not be completed due to non-handing over of the complete land defeating the very purpose.
- Lackadaisical approach of DDA resulted in non-recovery of ₹ 8.86 crore as damage charges from land owners and ₹ 25.69 crore on account of excess payment of compensation to the land owners.

(ii) Development of land

- Expenditure of ₹ 24.11 crore remained idle as the projects could not be commissioned for want of coordination between DDA and local bodies.
- Idle expenditure of ₹ 25.14 crore due to non functioning of Command Tank.
- Expenditure amounting to ₹ 16.41 crore incurred without obtaining proper approval of the competent authority.

In the succeeding Paragraphs, the Committee will discuss the aforesaid issues in detail.

4. Previous Audit Findings

C&AG had earlier reviewed the functioning of development of land by DDA in its report No. 2 of 2006. The Action Taken by Government on the Observations/ Recommendations of the Committee contained in their Fifty fifth Report (Fourteenth Lok Sabha) on “Development of Land by Delhi Development Authority” was examined by the Public Accounts Committee in its twentieth Report (Fifteenth Lok Sabha) and it was recommended that the Ministry of Urban Development should not let the things go a drift in DDA and take proactive and result-oriented steps to set the DDA house in order. If need be, the DDA act should be suitably amended to this effect. This is the next performance Audit report consisting of results of review of functioning of acquisition as well as development of land relating to period 2005- 2010.

II. Financial Management

5. Audit scrutiny of Budget allocation and actual expenditure incurred for acquisition and development of land during the years 2005-06 to 2009-10 revealed that there were abnormal variations (upto 70 per cent in respect of Acquisition of Land and upto 49 per cent in case of Development of Land) which indicate that the budget provisions were not made on realistic basis. The variation were higher than permissible limits of 10 percent during the years 2006-07, 2007-08 and 2008-09 in case of acquisition of land and during all the five years (2005-2010) in the case of development of land.

6. The DDA clarified (June 2011) that generally budget is requisitioned based on the land acquired in the previous years and amount of compensation paid, in addition to the land likely to be acquired and amount of compensation to be paid, in the relevant year. However, it should be realized that land acquisition is fraught with litigation at several stages, resulting in issuance of stays by Hon’ble Courts, thereby affecting the projected estimates of land to be acquired and compensation to be paid. The management further assured that efforts shall be made in future to utilize the maximum budget allocation in respect of development of land approved by the competent authority and also prepare budgetary estimates on more realistic basis.

7. Details as furnished by the Ministry of Urban Development regarding funds allocated for acquisition and development of land during the last ten years, funds utilized and funds lying unspent are as under:

Expenditure on Acquisition of Land

(Figure in ₹ crore)

Financial Year	Budget Estimate	Revised Budget Estimate	Actual Expenditure	Unspent amount
2007-08	1,050.00	475.00	141.29	333.71
2008-09	825.00	75.00	40.41	35.41
2009-10	100.00	300.00	324.10	-24.10
2010-11	100.00	246.00	175.75	70.25
2011-12	200.00	400.00	447.71	-47.71
2012-13	300.00	459.00	124.75	334.25
2013-14	400.00	297.00	163.50	133.50
2014-15	400.00	234.30	300.57	-66.27
2015-16	300.00	300.00	182.73	117.27
2016-17	250.00	210.00	317.34	-107.34

8. On being asked about the efforts made to utilize the maximum budget allocation in respect of acquisition and development of land approved by the competent authorities and also to prepare budgetary estimates on realistic basis, the Ministry of Urban Development in their written replies submitted as follows:

"The main constraints being faced in the intended utilization of funds sanctioned in respect of acquisition of land are non-receipt of correct and timely demand from Land Acquisition Collector (LAC) for compensation, unexpected awards of enhanced compensation and bank attachments by various courts.

Regarding the utilization of funds allocated for development of land, the main constraints are non-availability of clear sites due to encroachments/ unauthorized constructions, stay from courts, delay in receipt of various drawings, approval from local bodies, non- availability of labour during harvesting & rainy seasons, etc.

DDA, vide its circular dated 19.05.2017, has established a system of three- tier check to ensure that clear site is available before initiating any new project.

Further, in order to ensure that projects are not delayed due to non-availability of structural drawings, in terms of the provision of para 2.5.1 (g) of CPWD works manual 2014, DDA has started to award larger projects like DDA housing projects, etc. on "Design and Build" basis in which the successful bidder is responsible for complete design, statutory/local body clearances, execution, etc.

For the works not covered under "Design and Build" basis, a circular dated 19.05.2017 has been issued to ensure availability of design and drawings before awarding the works."

III. Acquisition of land

Implementation of Master Plan

9. The Master Plan Delhi, 2021 was approved and notified by the Central Government on 7 February 2007. DDA is one of the nodal agencies for implementing the Master Plan. Chapter 18 of the Master Plan provides for achievements to be made in phased manner during 2006-11, 2011-16 and 2016-21 respectively. It also provides for appointing a monitoring committee and management action groups viz., planning indicator, high level group for sub regional plan for Delhi, environment planning and coordination groups, infrastructure development groups, enforcement and plan monitoring group etc. In the first High Level Committee Meeting under the chairmanship of Lieutenant Governor for Monitoring and Periodic review of Master Plan held on 8 May 2008 it was decided that the Committee would meet at regular intervals of six months and all departments/local bodies should send a status report. However, no action has been taken by the DDA for the last two and half years.

10. Providing details regarding number of Sitzings of the High Level Committee, its recommendations and status of implementation of the same, the Ministry of Urban Development in their written replies stated as follows:

"• High Level Committee was mainly constituted for undertaking the periodic review, monitoring and management of Master Plan. The committee was comprising of members from Ministry of Urban Development (MoUD), Town & Country Planning Organization (TCPO), DDA, Municipal Corporation of Delhi (MCD), GNCTD, DUAC, Archeological Survey of India (ASI) and various experts along with the members of Management Action Groups (MAGs).

• High Level Committee (HLC) further constituted Advisory Group (AG) headed by Hon'ble Lt. Governor, Delhi for taking up the mid-term review exercise of MPD-2021.

• As part of mid-term review, HLC / AG have held 14 meetings to discuss suggestions and recommended modifications in MPD-2021.

• Based on the recommendations of the HLC / AG about 150 nos. of modifications were carried out in MPD-2021.

• On completion of the mid-term review in December, 2014, no further HLC/ AG meeting was required.

• The meetings of HLC/ AG shall be taken up on initiation of the second mid-term review exercise for MPD-2021 i.e. for the period of 2017-2021.

Major recommendations of the HLC / AG and modifications in MPD - 2021 which have since been notified are as under: -

- Density norms modified -
- Residential - Group Housing 200 DUs per Ha. (900pph) to bring uniformity.
- Slum & JJ clusters and Economic Weaker Section (EWS) Public Housing Schemes maximum to 900 DUs per Ha.
- New residential use premise - Studio Apartments added
- The Amalgamation of residential plots maximum upto 64 sqm. allowed
- Extension of Lal Dora/ firni, (as per the notification by Revenue Deptt., GNCTD) located in any use-zone, be considered as residential.
- The facilities recommended for neighborhood population of 10,000 to be permitted in Villages.
- In Extended Lal Dora, Group Housing has been allowed in Plot Size of 1670 sqm.
- Permissibility of Health & Residential activities in Industrial Areas
- Provisions for High Rise Buildings & Services Plans
- Permissibility of various educational use premises in Mixed land use Policy
- Enhancement of Floor Area Ratio (FAR) for Motels
- Provisions and for Low Density Residential Area (LORA)
- Enhancement of FAR for Health facilities"

11. Supplementing the above, the Secretary, Housing & Urban Poverty Alleviation deposed during evidence as under:

"The monitoring framework of the implementation of the MPD-2021, which includes Monitoring Units (MU) in DDA and a High Level Committee (HLC) headed by the Lieutenant Governor (LG), Delhi for periodic review and monitoring. Eleven sector-wise Management Action Groups (MAG), which work as Monitoring Units were constituted by DDA. 14 HLC meetings and 65 MAG meetings have taken place till now for review and monitoring of the MPD-2021."

12. Audit further observed that Master Plan Delhi (MPD) 2021 was approved in February 2007 and 15 number of zonal plans were sent by DDA for approval to the Ministry in February 2009 and September 2009 i.e. after a period of more than two years which were approved by the Ministry only in June to August 2010 excepting zonal plan 'D' which is still to be approved. On this being pointed out, DDA stated in May 2011 that to achieve the targets prescribed in the MPD various agencies in NCTD i.e. MCD, NDMC, GNCTD, PWD etc., were involved for its implementation and that the information regarding achievement of targets prescribed in the MPD would be provided by the agencies involved therein. The reply was not acceptable as the MPD provides creation of a Monitoring Unit (MU) in DDA. This unit was to be equipped with the modern data processing facilities and was responsible for collection of primary and secondary data, its analysis and bringing any important change to the notice of the DDA comprehensively once in a year. Later it was decided in May 2008 that the progress of various scheme submitted by the implementing agencies to MU would be compiled and

placed before the High Level Committee. Audit noted that although DDA had created a MU it failed to collect the data on progress made by other agencies involved. In the absence of centralized information on the progress of development of city infrastructure, DDA/Ministry would not be in a position to oversee the development made under Master Plan.

13. The Committee sought to know about the steps undertaken by the DDA so as to ensure co-ordination with local agencies and Public utilities for successful and timely implementation of the MPD - 2021. In response, the Ministry submitted that:

"Implementation of MPD is to be done by the local bodies and other concerned agencies responsible for roads, water, sewage, electricity, etc. As far as planning is concerned, all the planning issues and modifications in MPD-2021 are discussed in the Technical Committee in DDA, wherein the representatives of DDA, MCD, New Delhi Municipal Council (NDMC), TCPO, Central Public Works Department (CPWD), DUAC, Delhi Police, Land & Development Office (L&DO) and Delhi Electric Supply Undertaking (DESU) & Delhi Fire Service from GNCTD are represented. To ensure that the MPD is implementable, all the concerned agencies responsible for implementation were represented in the 11 sector-wise Management Action Groups (MAG), which were formed for the first mid-term review exercise of MPD-2021, i.e. for the implementation phase of 2007-2011.

Further, a coordination mechanism in relation to traffic and transport aspects has been established in DDA in the form of UTTIPEC in July, 2008."

14. In this regard, Audit had recommended that DDA should implement the Monitoring unit immediately which would result in strong database to pin point the deficiencies implementing the MPD-2021 and taking corrective actions accordingly to achieve the targets efficiently.

15. Providing details of the functioning of the Monitoring Unit as recommended by Audit, the Ministry of Urban Development, in their written submission stated as under:

"According to MPD-2021, Monitoring Unit should be in-charge of overall monitoring of implementation of the approved development plans and layout plans. However, Monitoring Unit was not formed. Even though Monitoring Unit was not formed, this did not affect the work related to monitoring of MPD, which was looked after by the Master Plan and Policy Review Unit (MPPR), Master Plan Review Unit (MPRU) and the Master Plan Section at different stages, as state below:

- MPPR, which was associated with preparation of MPD-2021, continued to look after the work related to monitoring of the MPD after its notification. Later, the same work was undertaken by the Master Plan Section in DDA. During the period from 2007 to October, 2011, various provisions in MPD-2021 were reviewed and about 40 modifications were carried out.

- Further, Master Plan Review Unit was created in September, 2011 to initiate the process of First Mid-Term Review of the MPD-2021, i.e. for the implementation phase of 2007-2011. This unit coordinated and monitored the entire exercise during the period of review.
- On completion of major part of the review, the Master Plan Review Unit was merged with the Master Plan Section in 2014, which continued to look after the work related to the monitoring/ follow-up actions after notification of MPD-2021.
- Currently, all the planning issues and modifications in MPD-2021 are discussed in the Technical Committee (wherein, the representatives of DDA, all the local bodies, government agencies, implementing agencies etc. are members). The meetings of the Technical Committee are coordinated by the Master Plan Section of DDA."

Land physically handed over to DDA

16. Land measuring 76533.63 acres was physically handed over by Land Acquisition Collector (LAC) to DDA in pursuance of various awards since 1969 (Nazul-II land). Out of total land, 75225.04 acres of land was transferred to the user departments for various development purposes. 1308.59 acres of balance land valuing ₹ 205.45 crore has still not been transferred by DDA to its user Departments on account of unauthorized occupation/encroachment as of March 2010. The Management clarified (June 2011) that there are certain pockets for which the Planning Department has not prepared a detailed layout plan, which is the primary reason for not transferring land from Land Management Department to user department like Engineering Department. It was also clarified that most of the encroachments existed in the nature of JJ Clusters, unauthorized colonies, which is protected under National Capital Territory Delhi Laws Special Provision Act, 2006.

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

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

17. On being asked about the strategy adopted by the DDA to ensure complete transfer of land to user Departments for developmental action, the Ministry replied as under:

"Land Management (LM) Department (Land Acquiring Department of DDA) transfers land to user Departments within few weeks of getting its possession

from L&B Dept. of GNCTD. Out of the total 76,533 acres of land handed over by L&B Dept. to DDA, 75,843 acres have been transferred to user departments. 690.61 acres (0.9% of total land) is with LM department, which is also in the process of transfer to user departments. Further, in order to ensure that the vacant land is not encroached upon, DDA has taken steps."

Damage charges for unauthorized occupation of DDA land

18. Under Public Premises (Eviction of unauthorized occupants) Act, 1971, DDA imposes damage charges on account of unauthorized occupation of land. It was noticed that as on 31 March 2006 outstanding damage charges were ₹ 17.97 crore which increased to ₹ 32.43 crore as on 31 March 2010. The outstanding amount increased by 80.46 per cent during the period of five years, i.e., 2005-06 to 2009-10. Abnormal increase in outstanding damage charges over a period of five years establishes the casual approach of the department in recovering the government money. While accepting the audit observation DDA stated (June 2011) that there was lot of resistance from occupants as such the staff was advised not to visit door to door for collection of damages. However, the reply failed to explain as to what alternate method has been adopted for speedy recovery of this amount.

In this connection, Audit observations are as under:

- (i) Land measuring 6129 bigha 10 biswa in village Barwala, Delhi was notified and the physical possession was handed over to the DDA in October 2005. Land measuring 22 bigha 10 biswas was under unauthorized encroachment of Rashtriya Ispat Nigam Ltd. (RINL) at the time of taking over possession of land by DDA. DDA issued notice to RINL in April 2006 to vacate the land and the same was vacated in December 2006. Notice for payment of damage charges of ₹ 6.25 crore for unauthorized occupancy of land was served only in December 2007, i.e., after a period of more than two years. The amount of ₹ 6.25 crore was yet to be recovered from RINL.
- (ii) Land measuring 6 bigha 2 biswa at village Lado Sarai, was acquired for the planned development of Delhi in 1980. The LAC could hand over only 4 bighas of land to DDA in July 2002 as the remaining portion of land measuring 2 bigha 2 biswa was in occupation of a Petrol Pump. The land was notified as use for recreational purpose in the Master Plan and the activities of petrol pump were not a permissible activity. DDA issued notice of damage charges amounting to ₹ 1.26 crore in October 2006 for unauthorized use of DDA land. The amount had still not

been recovered (January 2011) and the land is still in the possession of the unauthorized occupant.

- (iii) Land measuring 659.30 sq. yards was transferred to DDA in 1974. But it was observed that the land was unauthorizedly occupied by a private school at Timarpur since 1959. The fact was confirmed by the school authorities stating that they have been paying damage charges to Land and Development Office regularly. From 1974 onwards the school authorities stopped paying damages charges. DDA served notice for damages charges amounting to ₹ 59.09 lakh in May 2008, for the land which was in the possession of unauthorized occupant, but the amount had still not been recovered as of January 2011.
- (iv) Property No. 13, at Kudsia Ghat, Bela Road measuring 1864 sq. yards was allotted on temporary lease basis for one year from January 1966 to January 1967 to a Society for specific purpose of wrestling. The temporary lease was extended upto January 1971 with payment of ground rent of ₹ 1400, which was paid by the Society upto July 1987. Civil writ petition filed by the society for claiming the land was turned down by Hon'ble High Court vide its order of September 2006 stating that the request for possession of land cannot be acceded to. The damage charges of ₹ 48.88 lakh levied by DDA on society for the period from August 1987 till date had not been recovered for the land in the possession of unauthorized occupant.
- (v) Land measuring 153 sq yard at Sidipura, Delhi was under unauthorized occupation and was used as residential as well as commercial purpose. Notice for damage charges for the period from 1 October 1999 to 31 March 2010 for ₹ 11.54 lakh was served but this amount was still not recovered and the land is still in the possession of the unauthorized occupant.
- (vi) Land measuring 360 sq.yards in Motia Khan was unauthorizedly used for commercial purpose. Damage charges amounting to ₹ 15.71 lakh upto January 2008 was recoverable and the land is still in the possession of the unauthorized occupant.

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

19. Elaborating on the steps taken by DDA to recover the aforesaid land/amount, the Ministry in their written reply stated as under:

"DDA has recovered ₹ 7.55 crore from 1.4.2010 to 31.3.2017 as damage charges. DDA has commenced process of identification of all damage payee properties by collecting relevant details for which survey teams have been constituted. After gathering all these details, a policy will be placed for approval of Authority & then matter will be placed before Government of India for approval."

20. On being asked as to whether the DDA took any action against the officers responsible for the delay in recovery of damage charges/excess compensation to land owners, the Ministry replied as follows:

"The number of properties falling under damage payee property are huge. DDA was sending regular notices to the persons occupying damage properties which could not result in recovery of damages to full extent. The option left for DDA was to initiate eviction proceedings under Public Premises Act but that also could not give desired result. As and when DDA took this coercive action under PP Act, the defaulters of damage payee properties got relief from the courts on the ground that provisions of PP Act are being applied by DDA selectively. In such cases after getting stay from the court the defaulters stopped paying of damage charges. It is thus seen that the constraints are due to aforementioned reasons and cannot be ascribed to individual officers necessitating action.

As far as recovery of excess compensation is concerned, DDA has taken up the issue consistently with L&B/LAC GNCTD. Since the amount was released to the farmers by them, the details of the persons from whom excess amount has to be recovered is available with LAC. LAC is legally competent to recover the excess amount paid to the land owners."

Enhancement of compensation

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

22. Audit, therefore, flagged the following cases:

- (i) 5484 bighas of land was acquired by LAC at village Pooth Kalan. Land owners preferred appeal before the civil court. The civil court enhanced the compensation to the rate of ₹ 15700 per bigha in one case and ₹ 18500 per bigha in another case. Not satisfied, the claimants preferred appeal before the High Court, which enhanced this compensation to ₹ 30,000 per bigha. DDA after making payments to the landowners as per this decision, filed petition in the

Hon'ble Supreme Court which set aside the orders passed by the High Court and restricted the compensation to ₹ 18500 per bigha. The orders were passed in November 2002 with the directions to recover the excess amount paid to the land owners. DDA also obtained High Court orders (April 2004) to recover the excess amount with interest @ 15 per cent, if, the excess amount is not refunded within a period of two months from the date of order. No efforts were made to recover the amount of ₹ 25.69 crore (excess payment of ₹ 12.86 crore plus interest @ 15 per cent upto March 2010 amounting to ₹ 12.83 crore) from the land owners.

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

23. Upon noticing that in several cases where land owners who were dissatisfied with the rate of compensation, appealed in civil court, the Committee sought to know as to whether the DDA appoint any counsels to pursue the cases of recovery in execution court. In response thereto, the Ministry in their written replies stated as under:

"Under the Land Acquisition Act, 1894, Land Acquisition Collector (LAC), GNCTD is the competent authority to disburse the compensation to individual land owners. Therefore, excess amount, if any, can be recovered only by the LAC. DDA has, therefore, not appointed any counsel to pursue the cases of recovery in execution court."

24. Supplementing the above, the representative of the Ministry deposed during evidence as under:

"When the requisition is made by the DDA or the requesting authority to the Delhi Government, the statutory notifications are issued. When the notification is issued for determining the compensation for the land and they are issued to the interested persons, it does not have the word 'owner' but only as 'interested persons'. Later on, he is shown as owner being recorded as owner in the records reflecting it or any kind of encroachment or lease or in any other way he has to demonstrate his interest before the Land Acquisition Collector. Then he passes the award based on documents. The documents would be normally recorded as in the land ownership records or sale deed register. It is the discretion of the LAC to determine the rights of the person concerned. If he produces a general power of attorney which is registered and there is some consideration like agreement to sell which indicates that this power of attorney was in consideration of money by the seller and he takes due evidence from the seller also in that case he should determine it. Power of attorney as such is just to act on behalf of somebody. If it is proved to be a way of conveying the title and payment was made in consideration for that and there was an adjoining agreement to sell and there is a will also, this document would give evidence that it was actually not a power of attorney."

25. Elaborating on the efforts made to recover the pending amount, the Ministry submitted that:

"DDA acquires land through Land & Building (L&B) Department/ Land Acquisition Collector (LAC), GNCTD under the Land Acquisition Act, 1894. For this purpose, DDA releases consolidated amount for payment of compensation against the demand raised by LACs. Responsibility for disbursement of amount to the land owners/ awardees lies with LACs. After the receipt of judgement of Hon'ble Supreme Court, DDA has been continuously taking up the matter with GNCTD for recovery of the excess amount paid to the land owners in the case of land of Pooth Kalan Village at various forums including coordination meetings with GNCTD. The responsibility to recover the excess amount rests with LAC. The matter has been taken up on several occasions with GNCTD to get the excess amount recovered from the land owners."

Demolition of unauthorised encroachment

26. Section 30 of the Delhi Development Act, 1957 provides that where any development has been commenced or is being carried on or has been completed in contravention of Master Plan or Zonal Development Plan or without the permission, approval or sanction of any officer of the DDA, the same would be demolished and the demolition expenses of such removal shall be recovered from the owner or the person at whose instance the development was commenced. During the period 2005-10, 1661 demolition programmes were carried out by the department as given under:

Demolition programme carried out

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

It is seen from the above table that there was shortfall in achieving the targetted demolition programmes ranging from 29.94 per cent to 51.31 per cent, during the period of five years. Audit observed that DDA had made payment of ₹ 3.05 crore to the contractor on account of supply of equipments, trucks, labour etc. for demolition

programme carried out during the year 2005-06 to 2009-10 but demolition charges were not recovered by the DDA from the unauthorised occupants. The Management clarified (June 2011) that due to administrative reasons i.e. non availability of police force, stay orders, political interference etc., demolition could not be carried out. The clarification does not address the concern of audit regarding non achievement of targets fixed by authority itself.

27. The Ministry of Urban Development, while elaborating on the demolition Programme stated as under:

"During 2010-11 to 2014-15, 1,596 demolition programmes were fixed by DDA out of which 1,089 demolition programmes were carried out through which 318.74 acres of land has been reclaimed. Further, 266 more demolition programmes were carried out from 2015-16 to 2016-17 and approximately 1,435 acres of land was reclaimed. For effective demolition, the Superintending Engineers (SEs) in their respective zones have been made in charge of demolitions and all the staff of Land Management & Horticulture Wings have been placed under SEs as part of demolition squad. Superintending Engineers who are incharge of demolition programmes in zones have been given directions to reclaim encroached lands within 3 months which are not protected by the law or stay orders granted by courts. The demolition programmes are regularly monitored by SEs in their respective zones and by Principal Commissioner, Land Management in the Head Quarter."

28. Apprising the Committee about the action plan formulated to acquire the encroached land, the Ministry of Housing and Urban Poverty Alleviation stated as under:

"In order to ensure timely detection of encroachment and effective operation of demolition programmes, certain systemic changes have been made as mentioned below:

- In order to protect the acquired land under possession of DDA, system has been put in place whereby security guards, revenue staff, field investigators of Land Management (LM) Department of DDA are assigned the task of detection of encroachment on DDA land.
- In order to overcome the problem of late reporting of encroachments due to shortage of manpower, a new system of uploading photographs of vacant plots/lands has been developed. Accordingly, photographs of vacant plots/land of DDA are required to be uploaded every week so that encroachment, if any, is detected without delay.
- Quick Response Teams have been deployed in the field for removal of fresh encroachments on the spot.
- Further, to overcome the deficiency of field staff responsible for watch and ward of the land, zonal staff of LM & Horticulture Dept., upto Deputy Director level, have been put under the control of Zonal Superintending Engineers (SEs) with two objectives - (i) to provide additional manpower in the field to identify

encroachment, and (ii) to take immediate action against encroachment cases, by the SE concerned through Quick Response Team.

- Standard Operating Procedure (SOP) has also been put in place for detection of encroachment and carrying out of the demolition programmes. For effective monitoring, mobile application has been developed for detection & reporting of encroachment and arranging demolition programmes.
- Detailed inventorization of DDA vacant lands is also being done."

29. Supplementing the above, the Secretary, Housing and Urban Poverty Alleviation deposed during evidence under DDA also has a clear laid-down structure for the demolition mechanism, with delegation of powers at various levels, the highest being that of the LG. Standard Operating Procedures (SOP) have also been put in place recently for detection of encroachments and carrying out of demolition programmes. For effective monitoring, mobile applications have been developed for detection and reporting of encroachment and arranging demolition programmes.

30. The Secretary further deposed as under:

"Similarly, it is for encroachment. People will just report anything for encroachment. Now there is an app. They have to go on the site; they have to take a photograph; their latitude and longitude is recorded there. The photograph comes to the master server and it can be seen at the level of those who are reviewing it whether there is any encroachment or not. The result is that 1242 acres of land have been freed. There is a quick response team. Now, there is a Superintending Engineer who is made responsible for the whole sector. He has the whole team to look after this. This is a system and the system is getting improved slowly. More details will be given by the DDA."

IV. Development of Land

Availability of clear site and Coordination between DDD and Local Bodies

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

Audit scrutiny revealed the following cases:

- (i) The work of 'construction of Peripheral SW Drain and culverts i/c covering of drains and culverts in sector 27 and 28, Rohini' was awarded to a firm in March 2006 at tendered amount of ₹ 15.23 crore to be completed by September 2007

and the work was completed in December 2008. The service plan for the drain was approved by the MCD subject to the condition that proper outfall structure shall be provided to the proposed drain. It was observed that the completed work of drain was not functional due to non construction of outfall drain to which it was to be connected. Department stated that SW Drain could not be connected to existing supplementary drain as the outfall drain was to be constructed by the Irrigation and Flood Control Department (IFCD) after taking over the possession of land from DDA. The land on which out fall drain was to be constructed is under stay order of the Hon'ble Supreme Court which was not vacated (June 2011). Thus, the amount of ₹ 15.22 crore spent on the construction of SW Drain could not be utilized and remained blocked.

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

In response to the aforesaid Audit observation, DDA stated (June 2011) that services like sewerage, water supply and roads are to be laid prior to handing over of plots to

allottees, hence the works were awarded. However, as per codal provision layout plan are to be got approved from the local bodies (MCD/DJB) before award of work which was not done.

- (iii) Hon'ble Supreme Court of India directed DJB to curb the disposal of sewerage into Yamuna canal to avoid water contamination. DDA submitted a proposal, in 2004 for using effluent from sewerage treatment plant (STP), already constructed by DJB in Dwarka, for greening of about 520 hectares of area. DJB also accorded its approval for releasing the treated effluent from the STP and it was decided that scheme should be implemented in Dwarka in Phase I. Accordingly, DDA constructed four under ground reservoirs (UGRs) in 2006-07 for storing treated water and further supply for horticulture purpose, and one inlet channel (in 2008) for facilitating the treated effluent from STP costing ₹ 4.88 crore. It was noticed that the 'Sump well' for storing the treating sewerage from STP and releasing it to UGRs, was yet to be constructed. DDA awarded the work of construction of sump well in October 2009 at a tendered amount of ₹ 94.05 lakh stipulated to be completed in April 2010. The work has been completed on 31.3.2011 but has not become functional due to non availability of treatment affluent from DJB. Thus, poor planning on the part of DDA and non synchronizing of all the works related to supply of treated effluent (water) to horticulture areas from the STP, resulted in idle expenditure amounting to ₹ 4.88 crore.

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

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

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

32. The Project Report prepared in July 1992 for the development of Dwarka Phase I envisaged a water requirement of 80 MGD (Million Gallons per Day) to cater to an anticipated population of about 12 lakh in the sub-city. The report projected a requirement of six command tanks. Based on these projections, DDA awarded the work of construction of five command tanks for the supply of water to the general public. Audit noted that out of 5 command tanks only three command tanks were functional. Two command tanks were not functional although their construction was completed in October 2001 and May 2009 as the Delhi Jal Board failed to supply the water. This has resulted in idle expenditure of ₹ 25.14 crore. While accepting the audit observations DDA stated that two tanks may become functional by December 2011.

33. On being asked about the remedial action undertaken to rectify the lapses in project layout and implementation, the Ministry of Urban Development in their written replies submitted as under:

"In order to streamline the progress and quality of work and to strengthen the system, following steps have been taken:

- A system of three-tier check has been established vide circular dated 19.05.2017 to ensure that clear site, free from all encumbrances, is available before initiating any new project.
- In order to ensure that projects are not delayed due to non-availability of structural drawings, in terms of the provision of para 2.5.1 (g) of CPWD Works Manual 2014, DDA has started to award larger projects like DDA housing projects, etc. on "Design and Build" basis in which the successful bidder is responsible for complete design, statutory/local body clearances, execution, etc.
- For the works not covered under "Design and Build" basis, a circular dated 19.01.2017 has been issued to ensure availability of design and drawings before awarding the works.
- All the necessary drawings shall be made available before award of work.
- If the cost of projects during execution has exceeded beyond its permissible limits and the progress of the project has reached 80%, then process should be initiated for obtaining the competent authority's administrative approval and sanction for expenditure.
- Efforts should be made to accord technical sanction and invite tenders immediately after administrative approval and expenditure sanction by the competent authority.

- Revised technical sanction may be got sanctioned from the competent authority before finalizing the bill, if deviation is more than 10%.
- Deviation beyond permissible limit should be allowed only with prior approval of the competent authority.
- After the project is completed, the services have to be handed over to the concerned local body within a month of completion of the project."

Administrative Approval and Expenditure Sanction

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

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

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

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

Audit observed the following cases of irregularities in administrative approval and expenditure sanction:

- (i) DDA spent an amount of ₹ 4.33 crore upto March 2010 for development of Resettlement squatters. The expenditure was met by diverting the funds from the approved AA&ES for 'Development of 400 hectare of Land acquired recently at Sector 27 and 28, Rohini, Ph. IV and V' amounting to ₹ 129.94 crore. The work done by the DDA for resettlement squatters pertained neither to approved scheme nor formed part of the preliminary estimate.

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

- (ii) DDA awarded seven works for storing the treated sewerage effluent available from the existing Sewerage Treatment Plant (STP) set-up by Delhi Jal Board in Dwarka. This treated sewerage effluent was to be used for horticulture purpose.

An expenditure of ₹ 6.13 crore was incurred on these works. The expenditure was to be charged to 'Development of land at Dwarka (Pappankalan) project Phase I & II', but none of the seven works was covered under the scheme. As these works were not covered under the AA&ES of the Scheme, the expenditure of ₹ 6.13 crore incurred on these works was in violation of the provisions of the CPWD Works Manual.

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

35. Explaining the reasons for incurring expenditure without requisite sanction of the competent authority under aforesaid projects, the Ministry of Urban Development in their written replies submitted as follows:

"(i) Development of 400 hectare land in Phases IV & V of Sectors 27 & 28, Rohini: The Administrative Approval and Expenditure Sanction (A/A & E/S) for this project, which was accorded for an amount ₹ 129.94 on 26.12.2002, contained the provision for development works such as construction of roads and drains, and laying of water supply and sewerage lines. The works referred by the Audit in this para pertain to providing and laying internal services like sewer line, water supply line, roads and toe walls for the parks in the pockets within Sector 27, earmarked for settlement of squatters, which are as per the approved plan. In the A/A & E/S of the Sectors 27 & 28, the provision for all works executed in the pockets of Sector 27 earmarked for settlement of squatters was there. It is submitted that A/A & E/S was accorded in the year 2002 and the detailed approved development plan of the sector showing plots for settlement of the squatters was approved in the year 2004. Thus, development works of laying of internal services in the pockets of Sector 27 were taken up within the sanctioned A/A & E/S as provision for same works were existing though there was no specific mention about the works for settlement of squatters.

Therefore, it cannot be termed as diversion of funds as the works executed were within the same Sector for which A/A & E/S was approved.

It is further submitted that the original A/A & E/S was accorded in the year 2002 on the basis of Preliminary Estimates (PE) prepared in 2000 on the basis of Plinth Area Rates of CPWD while actual work of laying of services were taken up after approval of development plan in 2004. Due to time lag between preparation of the PE and approval of development plan, expenditure was more than the sanctioned A/A & E/S. The Revised Preliminary Estimates (RPE) on the basis of actual expenditure incurred, including the expenditure on providing of internal services in Sector 27 for the plots earmarked for re-settlement of squatters, was prepared and got approved from the competent authority for an amount of ₹ 538.50 crore vide letter No. EM6(7)120121Est./Pt./912 dated 6.03.2012.

(ii) Development of land at Dwarka (Pappankalan) project Phase I & II: After perusal of record, it is submitted that construction of Underground Reservoirs (UGRs) was part of scheme to store and supply unfiltered water for horticulture purpose and the expenditure incurred in construction of these UGRs had been booked under the provision of same sub-head for which provision in A/A & E/S was available. Thus, the expenditure incurred is covered under the A/A & E/S and it is not an unauthorized expenditure."

Execution of work without approval of competent authority

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

Audit observed:

- (i) Work relating to 'Construction of 30mt. R/W road in Dwarka, Phase-II' was awarded to M/s. Gaur Construction Co. at a tendered amount of ₹ 1.75 crore against the estimated cost of ₹ 1.52 crore. The stipulated date of start and completion of work were on 27 May 2005 and 26 November 2005 respectively. The work was actually completed on 30 July 2007. The payment of ₹ 5.78 crore was paid to agency in November 2008. It was seen that the work valuing ₹ 4.03 crore, i.e., 230.28 per cent above the tendered amount was got executed as extra items/deviation from the contractor. It indicates defective estimates of work and lack of planning. Further no revised technical sanction of the competent authority was obtained. The bill of the agency was finalized without obtaining the approval of WAB for execution of extra item/deviation beyond the power of Chief Engineer.

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

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

37. On being asked as to why the DDA released funds for the aforesaid projects in gross violation of provisions of the CPWD Works Manual, the Ministry replied as under:

"Construction of 30mt R/W road in Dwarka, Phase-II: The observation of the Audit that the final bill has been paid without getting the approval of deviation from the Work Advisory Board (WAB) is correct. DDA has issued standing instructions vide circular No. 597 dated 02/03/2007 to regulate the deviations in the contracts. According to these instructions, the total deviation in the contract to be approved up to the level of the Chief Engineer was ₹ 1.28 cr. In the instant case, the total deviation in the contract had been ₹ 4.03 cr. Therefore, the power to sanction deviation beyond ₹ 1.28 cr. vested with WAB. However, while finalizing the bill of the agency in September, 2008, no approval of WAB was obtained.

Development of main land in Dwarka(PPK) Project Phase II SH: Making connection of drain from Sector 16 of Najafgarh Drain (please refer para 5.3.4.4 of the Audit Report): The tender cost of this work was ₹ 4.44 lakh. On account of urgency, the Chief Engineer approved ₹1.92 crore as extra items for making road to main entrance to Metro Station at Sector 16, Dwarka. Audit has observed that these extra items were not connected to the agreement works/site. The Audit also observed that the power of Chief Engineer to award the work without call of tender was ₹ 10 lakh only."

Avoidable extra expenditure due to delay in award of work

38. Section 19.3.1(1) of CPWD Works Manual provides that top priority should be given to decide the award of work on receipt of tenders. In order to minimize chance of delay, timetable as given in appendix-23 of the Manual should be observed for dealing with tenders by different authorities. DDA awarded a work relating to 'construction of bridge No.2 (A) in R/W of 30 M road on Palam drain linking sector-11 with sector-12(B)

and onwards at Dwarka Phase-II' in 6th call to M/s Sushil Kumar & Co. in March 2009 at the negotiated cost of ₹ 3.33 crore with stipulated dates of start and completion 27-3-2009 and 26-6-2010 respectively.

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

Avoidable extra expenditure

No of tender calls	Date of opening of tenders	Rates quoted by lowest agency (₹ in crore)	Reasons for rejecting the tenders.
1 st	10.04.2006	2.78	Rejected by WAB on 3-7-2006
2 nd	15.01.2007	2.75	Rejected by WAB on 9-3-2007 on the recommendation of CE (DWK) as the main partner of the firm had suddenly expired.
3 rd	28.05.2007	2.93	Tender could not be forwarded to WAB as the agency was not ready to extend the validity of tender.
4 th	01.11.2007	--	No tender were found received at the time of opening.
5 th	27.12.2007	3.11	Rejected by CE (DWK) on 11-03-2008 due to wrong condition incorporated in the tender.
6 th	06.11.2008	3.33	Fresh NIT & TS were prepared based on DSR 2007 and awarded the work.

The rejection of tenders of 1st and 2nd call were beyond the control of department. It was observed that in the 3rd call, tenders were opened on 28 May 2007. As per Section 19.3.1 of CPWD Manual, 2007 the work should be awarded within 42 days from the date of opening of tenders. However, it was observed that in third call the validity period of the tender expired on 25 August 2007 and the department could not decide the award of work within the validity period. The agency (L-1) did not agree to extend the validity period and the tenders were, therefore, rejected by the department. The reasons

for delay were not found available in the record. In the 4th call no tender was found received at the time of opening. In the 5th call the tenders were rejected by Chief Engineer (Dwarka) due to the reasons that wrong condition were incorporated in the tenders. This shows that defective NIT was prepared and these conditions were also part of NIT during previous 4th call. Finally, the work was awarded in 6th call at a tendered cost of ₹ 3.33 crore. Audit is of the view that the work could have been awarded in the 3rd call at a tender cost of ₹ 2.93 crore. But due to failure of the department to award the work within validity period the work could not be awarded to the agency in the 3rd call and finally was awarded at 6th call at a tendered cost of ₹ 3.33 crore, which was ₹ 40 lakh higher than from L-1 of 3rd call. Rejection of the tender in 3rd call resulted in avoidable extra expenditure of ₹ 40 lakh as well as delay in execution of the work. DDA stated that in the 3rd call the main reason for delay to decide the tender was attributable to the lowest agency who had taken more than a fortnight to respond only to refuse negotiation of rates. The reply is not acceptable as the negotiations are not mandatory as per the manual.

39. Audit scrutiny revealed that DDA has an internal audit cell headed by the Member (Finance) who is assisted by the Chief Accounts Officer along with the other staff. DDA has a total of 150 auditable units in its field formations. The internal inspection manual of the DDA did not specify the frequency or periodicity of the audit to be conducted by the internal audit wing. An appraisal of the functioning of the internal audit wing with special reference to the checks exercised in respect of the developmental schemes indicated that while the coverage of units had steadily improved over the last three years, the coverage was still just about 50 per cent of the total number of auditable units as detailed below:

Internal Audit

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

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

40. On being asked as to what steps have been taken by the DDA to ensure internal audit of all the units, the Ministry in their written replies submitted as follows:

"DDA is responsible for planning, acquisition, development of land for various development schemes and disposal of land under the Master Plan. As regards the steps taken by DDA to ensure internal audit in the implementation of the plan, it is submitted that DDA has a well-established system of internal audit. DDA has been preparing the Annual Audit Plan and conducting the internal audit of all the units on annual, biennial, and triennial basis as per risk factor and expenditure basis. All the schemes/projects of development, redevelopment, upgradation, housing, roads, horticulture, etc. under the Master plan undertaken and executed by these offices are regularly audited. For this purpose, during the last five years, DDA's Internal Inspection Cell has audited the following units:

Sl.No.	Years	Engg. Wing	Land Disposal	Land Management	Planning Wing	Total
1	2012-13	58	4	1	Nil	63
2	2013-14	78	5	3	2	88
3	2014-15	60	9	1	Nil	70
4	2015-16	51	7	3	Nil	61
5	2016-17	58	6	1	Nil	65
	Total	305	31	9	2	347

PART – II

OBSERVATIONS AND RECOMMENDATIONS

1. This Report is based on scrutiny of Chapter V of C&AG's Report No. 17 of 2011-12 on "Acquisition of Development of land by DDA". This Performance Audit covered the activities relating to acquisition as well as development of land by DDA for the period 2005-10. Six out of twenty development schemes relating to this period were scrutinised. The Committee note that the Master Plan Delhi, 2021 approved and notified by Central Government on 7 February 2007 was to be implemented by the Delhi Development Authority in a phased manner during 2006-11, 2011-16 and 2016-21 respectively. The Committee also note that a High Level Committee constituted for undertaking periodic review, monitoring and management of the Master Plan held only 14 meetings to discuss suggestions and recommended modifications in MPD - 2021. The Ministry submitted that no further meeting of the High Level Committee were required on completion of the midterm review in December, 2014. The Committee are of the view that there is requirement for regular/stringent monitoring of the developmental projects since the Master Plan Delhi, 2021 is to be implemented in a phased manner till 2021. The Committee, therefore, recommend the Ministry/DDA to set short and long term milestones to achieve the ultimate targets set out in the MPD - 2021 and also apprise the Committee of the achievements made so far for the period 2006-07 to 2017-18. The Committee also desire that the High Level Committee meet periodically on regular basis for reviewing, monitoring and management so that the target of the MPD 2021 is achieved.

2. The Committee find Master Plan Delhi, 2021 provides for the creation of monitoring unit in DDA equipped with modern data processing facilities for collection of data, its analysis and bringing any important change to the notice of DDA comprehensively once in a year. The Committee are perturbed to note that DDA failed to collect the data on the progress made by the stakeholders involved for development of city infrastructure, and that in the absence of centralized information system, DDA/Ministry was not in a position to oversee the development made under the Master Plan or visualize proper future plan. The Committee, therefore, recommend the Ministry/DDA to set up the Monitoring Unit immediately with members from the Master Plan and Policy Review Unit (MPPR),

Master Plan Review Unit (MPRU) and the Master Plan Section for concerted coordination which would be able to pinpoint the deficiencies in implementing the Master Plan Delhi 2021 and take corrective actions accordingly to achieve the targets effectively.

3. The Committee note with concern that 1308.59 acres of balance land valuing ₹ 205.45 crore has still not been transferred by DDA to its user Departments due to non preparation of detailed layout plan by the planning Department and due to encroachments. The Ministry in their written reply clarified that only 690.61 acres (0.9% of the total land) are with the Land Management Department which is also in the process of transfer to the user Departments. The Committee, therefore, recommend the Ministry/DDA to urgently prepare the detailed layout plan so as to ensure quick transfer of land by the Land Management Department to the user Departments for various development purposes.

4. The Committee note that the amount of outstanding damage charges on account of unauthorized occupation of land increased from ₹ 17.97 crore as on 31 March, 2006 to ₹ 32.43 crore as on 31 March, 2010 i.e. 80.46 percent. The Committee are astounded to note the nonchalant attitude of the Department in recovering the Government money with cases even pending since 1974 for recovery of money. The Ministry stated that there was a lot of resistance from unauthorised occupants and as such door to door visit for collection of damages was not advised. The Committee, therefore, desire the DDA to devise and adopt an effective alternative method for speedy recovery of the damage charges and apprise the status thereof within three months of the presentation of this Report.

5. The Committee note that land measuring 6129 bigha, 10 biswa in village Barwala, Delhi was notified and the physical possession was handed over to DDA in October, 2005. Land measuring 22 bigha 10 biswas was under encroachment of Rashtriya Ispat Nigam Ltd (RINL) at the time of taking possession of land by DDA. They issued notice to RINL in April 2006 to vacate the land and the same was vacated in December, 2006. Notice for payment of damage charges of ₹6.25 crore for unauthorised occupancy of land was served in December 2007 i.e. after a period of more than 2 years. The Committee are shocked to note the lackadaisical attitude of DDA even in serving notice as well recovering damage

charges from a Central Public Sector undertaking like RINL. The Committee would like to be apprised of the action taken by DDA in recovering the above damage charges from RINL.

6. The Committee note that the Hon'ble Supreme Court set aside the orders passed by the High Court and restricting the compensation to land owner of village Pooth Kalan from ₹ 30,000 per bigha to ₹ 18,500 per bigha in November 2002 with directions to recover the excess amount of ₹25.69 crore i.e. excess payment of ₹ 12.86 crore with interest @ 15 percent upto March, 2010 amounting to ₹ 12.83 crore paid to the land owners. The Committee also note that the responsibility to recover the excess compensation rest with the Land Acquisition Collector, GNCTD as per the Land Acquisition Act 1894 and the issue had been taken up on several occasions with GNCTD without any success. The Committee, therefore, recommend the Ministry/DDA to urgently resolve the constraints in recovery of the excess compensation from the land owners after negotiation with all the stakeholders i.e. GNCTD and the land owners and apprise the Committee of the same within three months of the presentation of this Report. Further, in wake of computerization of all the records, Ministry may explore alternative legal measures for recovery of excess amounts like not allowing construction on the land owned by these owners in the pool.

7. The Committee are perturbed to note the shortfall in the targetted demolition programmes of DDA during the period 2005-06 to 2009-10 ranging from 29.94 per cent to 51.31 per cent. Moreover, demolition charges were not recovered by the DDA from the unauthorized occupants despite payment of ₹ 3.05 crore to the contractor for demolition programmes. The Ministry/DDA failed to explain the reasons for the shortfall in targetted demolition and non-recovery of demolition charges and submitted that Superintending Engineers in charge of monitoring demolition programmes in their respective zones have been directed to reclaim land not protected by the law or stay orders granted by courts within three months and the same are being monitored by the Principal Commissioner, Land Management in the Headquarter. The Committee, therefore, desire the Ministry/DDA to explain the reasons for lagging behind the targetted demolition programme and also the non-recovery of demolition charges from the unauthorized occupants in contravention of section 30 of the Delhi Development

Authority Act, 1957. The Committee recommend that exemplary disciplinary actions be initiated against the officers who failed in their duties to take timely action.

8. The Committee note that the work for construction of peripheral Storm Water Drains and Culverts in Sector - 27 & 28 in Rohini at a cost of ₹ 15.22 crore, development of 400 hectares of land acquired at two places in Rohini for construction of sewer line, water supply line, roads and toe walls at a tendered cost of ₹ 3.06 crore and ₹3.16 crore in March 2004. However, the road work could not be completed due to non approval of lay out plan by MCD, absence of proper drainage system etc. The Committee note with serious concern that poor planning, award of work without proper survey and not obtaining of lay out plan approval in advance from MCD etc. resulted in infructuous expenditure of ₹ 1.41 crore by the DDA. Similarly, DJB had accorded its approval for releasing the treated effluent from the Sewer Treatment Plant. Accordingly, DDA constructed four underground reservoirs (UGRs) in 2006-07 for storing treated water and further supply for horticulture purpose, and one inlet channel (in 2008) at a cost of ₹ 4.88 crore. It was noticed that the "Sump Well" for storing the treated sewerage from Sewer Treatment Plant and releasing it to UGRs, was yet to be constructed. DDA awarded that work at a tendered cost of ₹ 94.05 lakh. Even though the work was completed in April 2010 it has not become functional due to non availability of treated effluent from DJB. The Committee are aghast to note that poor planning, non synchronisation of works related to supply of treated water to horticulture areas from Sewer Treatment Plant resulted in idle expenditure of ₹ 5 crore. The Committee, therefore, recommend that DDA should ensure a system whereby coordinated mechanism is established with other local agencies and utilities and hindrances removed before award of work. The Committee also desire the Ministry/DDA to fix responsibility for the lapses/delay in completion of the work and apprise them of the status of the developmental works within three months of the presentation of this Report.

9. The Committee find that the sewer works for storing sewerage effluent from the existing Sewerage Treatment Plant of Jal Board, Dwarka costing ₹ 6.13 crore was in violation of the CPWD Works Manual. Clarifying the above, the

Ministry submitted the (AA&ES) for development works of laying internal services and the detailed development plan were approved in the year 2002 and 2004 respectively though there was no specific mention about the works for the development of 400 hectares land of Sectors 27 and 28, Rohini. Moreover, the revised preliminary estimates based on the actual expenditure incurred was approved by the competent authority for an amount of ₹ 538.50 crore on 06.03.2015. Further, the construction of underground reservoirs (UGRs) in Dwarka was part of the scheme and the expenditure for the same have been booked under the same sub-head for which provision in AA & ES was available. The Committee, therefore, recommend the Ministry to take steps to streamline the administrative approval and expenditure sanction within the DDA with strict adherence to the CPWD Works Manual in future before execution of any developmental works so as to ensure speedy completion of the projects. The Committee also desire the Ministry/DDA to fix responsibility for such lapses.

10. The Committee note that in their Action Taken Note on Performance Audit on Development of Land by DDA incorporated in Repot No. 2 of 2006, Ministry of Urban Development had stated that guidelines had been issued/reiterated for taking up work in anticipation of Administrative Approval & Expenditure Sanction (AA&ES) on emergent basis. CPWD Works Manual 2007 stipulates that expenditure in excess of AA&ES should not be incurred without approval of competent authority, and the expenditure if exceeds by 10 percent of original sanction, the revised expenditure sanction is necessary. In utter disregard to the above, DDA spent ₹ 4.33 crore upto March 2010 for development of resettlement of squatters. The expenditure was met by diverting funds from the approved AA&ES for development of 400 hectare of land in Rohini amounting to ₹ 129.94 crore. The Committee are shocked to note that the work done by the DDA for resettlement of squatters had neither pertained to the approved scheme nor formed part of preliminary estimate. The Committee desire to be apprised of disciplinary action taken against violators of CPWD manual for diversion of funds as well as Ministry of Urban Development's commitment to the PAC.

11. The Committee note with concern that the internal inspection manual of DDA did not specify the frequency or periodicity of audit to be conducted by the internal audit wing. Moreover, while the units covered by the internal audit wing

of DDA had steadily improved over the period 2007-08, 2008-09 and 2009-10 the coverage was still just about 50 per cent of the total auditable units. The Ministry submitted that DDA has been conducting internal audit of all the units annually, biennially and triennially as per risk factor and expenditure basis and has conducted audit in 347 units during the period 2012-13 to 2016-17. The Committee, therefore, recommend the DDA to streamline/strengthen the internal audit mechanism within the organisation so as to ensure 100 percent coverage of all auditable units annually irrespective of the risk factor and quantum of expenditure under the overall supervision of the vice Chairman, DDA.

NEW DELHI;
20 December, 2018
29 Agrahayana 1940 (Saka)

MALLIKARJUN KHARGE
Chairperson,
Public Accounts Committee
