

Chapter V

Conclusion

The L&DO, which is an attached office of the Ministry of Housing and Urban Affairs is responsible for the administration of leasehold properties of the Government of India. These properties include Nazul Lands (i.e., lands acquired in the year 1911 for the formation of capital of India at Delhi) and Rehabilitation Lands (i.e., lands acquired by the Government of India for the speedy rehabilitation of displaced persons from Pakistan).

Functioning of L&DO was previously reviewed and reported in the CAG's Audit Report No. 6 of 2009-10. During the follow-up audit, it was observed that despite Ministry's assurances given in the Action Taken Notes submitted to the Public Accounts Committee, most of the deficiencies pointed out in the Audit Report continued to persist and in certain areas (such as time taken in disposal of lease applications) the situation has even deteriorated as compared to what was observed during previous audit. Most of the documents/ information sought during the follow-up audit were not provided by L&DO.

In the previous Audit Report, it was mentioned that the authenticity of the number of properties administered by L&DO could not be verified. The follow-up Audit revealed that L&DO still did not have the authentic figures of its leased properties.

L&DO did not calculate and review dues from leases, nor did it enforce them on defaulters in a timely manner. Despite the allottees' failure to deposit the dues, no action was taken. Also, L&DO did not recover dues arising from land rate revisions from the lessees upon conversion of leasehold lands into freehold. The allottees were reaping all the benefits of their assets while failing to meet their obligations in terms of ground rent and charges for misuse and unauthorised constructions.

The year-wise inspections conducted by L&DO during the years 2016-17 to 2020-21 ranged between five *per cent* and eight *per cent* of the mandatory inspection required to be conducted annually. Further, wherever inspections were done, show-cause notices/ breach notices for violations were not issued on time and efforts to re-enter the property were found lacking, thereby rendering the inspections ineffective. There was no system in place to monitor compliance with the condition of offering free medical care by hospitals to poor and indigent patients and free education by schools to children from economically weaker sections.


Citizens' Charter of L&DO stipulates that the L&DO would ensure good quality of service by disposal of applications on conversion, sale permission, mutation, and substitution etc. within a period of three months from the date of receipt of information and documents from the lessee. L&DO's administration of lease applications was, however, found to be ineffective and inefficient, with excessive delays in the disposal of applications.

L&DO's lease management was ineffective and inefficient. The lease deeds, the fundamental document that formed the relationship between L&DO and the property allottees, had not been completed. The temporary leases were not extended.

The objective of computerization of records was defeated by incomplete information in e-Dharti. Further, there was no system in place in Sub-registrar offices to demarcate/ identify L&DO land, resulting in its sale without the knowledge of L&DO. Despite the land/ plots being under encroachment, L&DO kept allotting these to lessees and did little to secure those.

Thus, the valuable land under the control of L&DO was being mismanaged due to poor administration and neglect.

New Delhi
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Countersigned

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Dated: 10 December 2021


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