The present chapter deals with the modus operandi of public intervention in the land market in Delhi, with special reference to distribution of land to its beneficiaries in the different land use categories. An attempt has been made to critically analyse the salient features of the distribution policy. The pricing of land for different categories of land use and for the beneficiaries belonging to different income-group has, however, been taken up in chapter 6.

The scheme popularly called 'Delhi model' incorporates en masse land acquisition for development and disposal. The public agency, therefore, has an absolute control on urban land by virtue of the land leasing mechanism. The agency thus has the total power and responsibilities for maintaining and guiding urban development in desirable directions. The onus of the authority is in fact two-fold; one, to ensure appropriate allocation of land for various public usages and two, to design a system in which the poor is not priced out of the shelter market. While fulfilling these objectives it would also be necessary for the agency to meet the growing demand in the land market put forth by various public and private agencies. Increasing concentration of economic activities and central government functions in Delhi has contributed significantly to the demand for urban land in Delhi shooting up the land prices. Given this scenario the responsibility of providing adequate land for various social purposes and to the urban poor who would be normally priced out of the market through the public agencies would be an extremely
important and challenging task. At the same time it would also be important for the public agency to ensure that the land allotted for specific use are not put to other purposes, or the land given to the EWS is not taken over by people in the Higher Income Categories. The present chapter analyses how the DDA, the nodal agency identified for disposing development land in Delhi fulfills this complex and challenging responsibility. The purpose here is to critically analyse the legal and administrative procedures for land disbursal under various categories in Delhi in the context of the avowed social objectives mentioned above. The actual quantum of land disbursed under different categories has been analysed in the fifth chapter.

*Categories of Land Disposed off by DDA*

Land disposed by the DDA can be placed in four categories. There are residential land, commercial land and commercial estates, industrial land and institutional land. Residential land again has two subdivisions namely plotted development and co-operative group housing. It is also important to distinguish between land disposed under the category of commercial land from commercial estates. The Authority's reports reveal that commercial land is the most important source of revenue of DDA and subsidises many of its welfare schemes. According to the provisions of the master plan, three to four per cent of land under the disposal of the DDA is earmarked for commercial use. All commercial land is disposed as developed plots through auction. Commercial
estates, on the other hand, refers to built-up commercial properties. In this category, land is disposed off either by auction or through subsidised allotment. Within commercial properties apart from shops/kiosks/taxi stands, self financing scheme flats for individuals, firms, companies etc., for commercial purpose are also included.

Land is given for industrial purposes by the DDA to four category of uses both within as well as outside the urban limits. Land for industrial purpose is either allotted at predetermined rates or sold through auction/call of tenders. Industrialists operating in non-conforming areas or functioning without proper industrial licence are required to shift to industrial areas earmarked in the Master Plan.

Finally, DDA also disburses land for various social purposes and for establishing academic/cultural and other institutions. The public and private agencies wanting to develop land for certain social purposes or carrying out non-commercial activities that would be beneficial to the society at large may apply for land allotment under this category.

Land disposal was done till 1981 without following any standardised formula and resorted to piecemeal policy prescriptions. Often the plot size for different income categories and different land-use were determined in an ad-
hoc manner which led to considerable confusion and mismanagement. In view of this the Nazul Rules (1983) was adopted in 1986, which provided clear guidelines for disposal of developed land for various purpose to the different income groups. The procedures and components for fixing the land prices, modes of payment for the allotted land etc. are also determined by the Rules.

DISPOSAL OF RESIDENTIAL LAND

The disbursal of land for residential use has been analysed in two sub-sections. The first sub-section analyses land disbursement for plotted development while in the second sub-section land allotted for co-operative housing societies has been presented.

Land for Plotted Development

The erstwhile DIT had leased out about 14,000 plots for residential propose for various durations. It did not have separate schemes for allotting plots taking into consideration the various categories of users in different income brackets. With the coming up of the DDA and its policy of large scale acquisition, development and disposal of land, various land disbursement schemes came into being. The three major schemes are:-

i) The Gadgil Assurance Scheme.

ii) Alternative plots to land acquisition cases

iii) Individuals in the LIG/MIG categories registered with the DDA.
Apart from this DDA has allotted huge chunks of land through auction.

i) Gadgil Assurance Scheme

Gadgil Assurance scheme is based on the assurance given on 29.9.51 by Shri V.N. Gadgil that any displaced person residing on public land occupied before 15th Aug. 1950 would not be evicted, and buildings constructed would not be demolished till they are provided with an alternative site. It was decided that wherever possible, permissible modifications will be made in the Master Plan/Zonal Development Plans to accommodate some of these non-conforming residences.

By an order issued on 15.8.1950, it was decided that it was necessary to examine the particulars of persons applying for the Gadgil Assurance scheme on the basis of

(a) Refugee Registration Certificate (essential)

(b) Receipts regarding payment of damages assessed by the authority or the basis of the notes levied for the first time in 1952.

(c) The following documents were also to be examined wherever furnished, so that no wrong person would secure the benefit:-

(1) Ration card of 1960.
(2) Electricity/water/telephone bills dated back to 1950.
(3) Census ships of 1960.
(4) Voter list of June 1951 and
(5) Any other letter addressed to the squatter at his place of occupation prior to 15th Aug 1950.
On the basis of the above said scrutiny, 1200 persons (approximately) were identified as beneficiaries under the scheme.

Many refugees, however, could not qualify under this scheme. The people who were not entitled to rehabilitation under the scheme were the following:

i) People (refugees) who had not squatted continuously on Nazul lands since 1950.

ii) Squatters on private land or wakf properties since 1950.

iii) Persons who had already received compensation in the form of urban land even outside Delhi.

vi) Squatters in Military land or Government land who had been subsequently shifted or evicted.

In the same resolution it was further decided that the refugees should not be treated like the J.J. dwellers. However while allotting plots, the basis of land development should be same as that of J.J. dwellers.
Statement showing the persons who may be eligible for Alternative Accommodation according to the scrutiny made by the assurance committee.

<table>
<thead>
<tr>
<th>Name of the Estate</th>
<th>Category A</th>
<th>Category B</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qadam Sharif</td>
<td>157</td>
<td>188</td>
<td>345</td>
</tr>
<tr>
<td>Pahavenganj</td>
<td>9</td>
<td>23</td>
<td>32</td>
</tr>
<tr>
<td>Block 8-A(WEA)</td>
<td>51</td>
<td>7</td>
<td>58</td>
</tr>
<tr>
<td>Bagh Roaji</td>
<td>18</td>
<td>27</td>
<td>45</td>
</tr>
<tr>
<td>Basti Rehgive</td>
<td>50</td>
<td>79</td>
<td>129</td>
</tr>
<tr>
<td>Ahata Kidara</td>
<td>100</td>
<td>39</td>
<td>139</td>
</tr>
<tr>
<td>Sadar Bazar</td>
<td>59</td>
<td>32</td>
<td>91</td>
</tr>
<tr>
<td>Naiwala</td>
<td>185</td>
<td>100</td>
<td>285</td>
</tr>
<tr>
<td>Jhandewala</td>
<td>26</td>
<td>62</td>
<td>88</td>
</tr>
<tr>
<td>Karol Bagh</td>
<td>5</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Inner City wall</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Southern Ridge</td>
<td>-</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td><strong>662</strong></td>
<td><strong>563</strong></td>
<td><strong>1225</strong></td>
</tr>
</tbody>
</table>

Category A- Applications cleared in all respects.  
Category B- Applications to be subjected to further scrutiny in the light of report by damage section.

Source: Office of Land Commissioner (DDA).

For unauthorized occupation of land measuring up to 500 sq.mts., alternative allotment of land not exceeding 200 sq.mts. was to be made. The benefit of the Gadgil Assurance was to be given either in the form of land or built-up houses with maximum priority of allotment and also on no-profit-no-loss basis. The Gadgil Assurances also envisages that in case of constructions, with which certain modifications can be accepted within the
Statement showing area-wise no. of persons who may be eligible for benefit under 'Gadgil Assurances' scheme.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the locality</th>
<th>No. of appl. entertained</th>
<th>Total No.</th>
<th>Commr.</th>
<th>Commr. &amp; Res.</th>
<th>Dairy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Qadam Sharif</td>
<td>1475</td>
<td>349</td>
<td>78</td>
<td>33</td>
<td>0</td>
</tr>
<tr>
<td>2.</td>
<td>Ahata Kidara</td>
<td>382</td>
<td>261</td>
<td>11</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>3.</td>
<td>Sadar Bazar (North and South)</td>
<td>198</td>
<td>49</td>
<td>20</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>4.</td>
<td>Jhandewalan including Bloc 'E'</td>
<td>162</td>
<td>79</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5.</td>
<td>Squatters Sitting on privately owned land i.e. Govt. quarters</td>
<td>541</td>
<td>8</td>
<td>4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6.</td>
<td>Inside City Wall</td>
<td>75</td>
<td>8</td>
<td>4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7.</td>
<td>Rehgapurana</td>
<td>418</td>
<td>52</td>
<td>13</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>8.</td>
<td>Karol Bagh &amp; Bagh Raoji</td>
<td>447</td>
<td>57</td>
<td>43</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>9.</td>
<td>Southern Ride</td>
<td>69</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>10.</td>
<td>Naiwala</td>
<td>731</td>
<td>311</td>
<td>83</td>
<td>40</td>
<td>7</td>
</tr>
<tr>
<td>11.</td>
<td>Block-8A (Western Ext.)</td>
<td>91</td>
<td>49</td>
<td>7</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Total:

| 4589   | 1221 | 266   | 93    | 17    |
municipal regulation, the occupants shall be given the option to purchase the land. These lands are to be sold at a no-profit-no-loss basis at the 1952 rates rather than at market prices as per Nazul agreements.

In case more than one family resides at the same place and they are descendants of the original squatters, each of the families would be considered for sites of plots or built up houses according to their income groups. The plots/houses would be provided at the market rates fixed by DDA. Payment for the plots/flats by displaced persons were to be made in easy installments. The amount due from the refugees were to be received in four half-yearly installments, interest on the outstanding balances being 7% per annum. By an order of the Ministry on the 19th Nov. 1955 only the land rates for rehabilitation under the scheme was fixed as presented in the table below. It may be noted that though the scheme did not explicitly speak of any commercial land for alternative allotment, land rates for commercial allotment were also fixed by the Ministry. Thus it becomes evident that the government implicitly accepted the provision of alternative allotment of commercial activities on unauthorised land.
1. Motia Khan Dump Scheme
2. Moti Nagar on Rohtak Road.
3. Western Extension Area
4. Jandewala
5. Ahota Kidara.
6. Ahota Kidara.
7. Roshanara Extension
8. Northern City
9. Paharganj Ext. Area

<table>
<thead>
<tr>
<th>Name of the area</th>
<th>Rate (per sq. yrd) at which land should be allotted at no-profit basis for residential purpose.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Resi.</td>
</tr>
<tr>
<td>1. Motia Khan Dump Scheme</td>
<td>-</td>
</tr>
<tr>
<td>2. Moti Nagar on Rohtak Road.</td>
<td>12/- 10/-</td>
</tr>
<tr>
<td>3. Western Extention Area</td>
<td>12/- 10/-</td>
</tr>
<tr>
<td>4. Jandewala</td>
<td>14/-</td>
</tr>
<tr>
<td>5. Paharganj</td>
<td>-</td>
</tr>
<tr>
<td>6. Ahota Kidara.</td>
<td>11/-</td>
</tr>
<tr>
<td>7. Roshanara Extension</td>
<td>11/-</td>
</tr>
<tr>
<td>8. Northern city</td>
<td>11/-</td>
</tr>
<tr>
<td>9. Paharganj Ext. Area</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Land Comm (DDA).

ii) **Allotment of plots to the persons whose land have been acquired.**

In a resolution (dated 8.6.1984) regarding the plight of persons whose land has been acquired the DDA observed that justice was not being meted out to the landholders. It was observed that against a compensation price of Rs.2/- to Rs.5/- per sq. mts. for land acquired the incumbents were being offered alternative plots at the rate of Rs. 350/- to Rs. 400/- per sq.mts. A DDA estimate of development cost for gross area of land comes to Rs. 104/- per sq. mts. for 1981. The value adjusted for 1983 has been inflated to Rs. 169.92. Under the condition that 50% of the gross area is put to residential use the
development charge for residential use comes to approximately 340/-. Another DDA estimation made by the land department shows that development charge for residential land is Rs. 300/- when the cost component for acquisition is fixed at about Rs. 30/-. Hence though DDA has no claim of profit making in the entire process of disposal of residential land the land owners (whose land has been acquired and are offered alternative plots) have to pay an exhorbitant sum for their plots.

The package compensation offered since 1961 was as follows:

(a) A residential plot in an approved colony to the extent of 40% of the land acquired or 250 sq. yrds. whichever is less at per determined rates.

(b) To enable the dispossessed land holders to earn their livelihood, 10% of the shops constructed by the DDA are allotted to them at pre-determined rates, by draw of lots.

But at a latter stage in an agenda titled "Package deal for providing Rehabilitation facilities to the Agri-culturists of Delhi, whose land have been/are provided to be acquired for the Planned Development of Delhi" (dated 8.6.1984) a proposal in favour of the Delhi Kisans was adopted.

The major features of the proposal is listed below:

(a) A residential plot in an approved colony to the extent of 40% of the land
acquired or 400 sq. yrds., whichever is less, is allotted to the persons, whose land has been acquired or notified for acquisition. In order to be entitled to the allotment of plot, such persons should own a minimum of 150 sq.mts. of land at the time of notification. It was further decided that for acquisition of more than 10 Bighas of land the size of the alternative plot would be 600 sq.mts.

(b) 25% of the shops constructed/commercial sites developed by the DDA shall be allotted to the farmers in the respective zones/areas.

(c) Industrial plots to be allotted to these agriculturists, who have the capacity to set their own industry. This allotment was to be done on the recommendation of the Land Allotment Advisory Committee of the DDA subject to the approval of the Directorate of Industries.

In each of the above cases it was decided that land was to be allotted at a no-loss no-profit basis i.e. at pre-determined rates. But the grievance regarding land prices continued. DDA, in fact does not have a subsidy component for pricing land for alternative allotments. On the contrary land for alternative allotment is charged at 1.5 times the break-even price.

It has been discussed earlier that the cost of land development for pre determined rate is in itself very high and it far outprices the cost of land
acquisition. This formula remaining unchanged there has been cases of non-payment of premium for alternative plots. DDA however intends to subsidise the Kisans in other ways.

An important component of this proposal was that 25% of the jobs in all category of employees of DDA shall be reserved for eligible persons or their children, for persons whose land has been acquired.

Most of the proposals mentioned above were accepted but an order of the Delhi Administration dated 7.2.1991 made the following decision regarding size of plots for alternative allotments:

For awards announced before 3.4.1986.
(a) 40 sq.yrds. for acquired land between 150 sq.mts. and 1 Bigha.
(b) 250 sq.yrds. of land between 1 to 10 Bighas
(c) 400 sq.yrds of land above 10 Bighas.

For awards announced after 3.4.1986
(a) (i) No plot for less than 1 Bigha of acquired land.
(ii) 40 sq.yrds. for 1 Bigha of land acquired.
(b) 80 sq.yrds. for land acquired between 1 to 5 Bighas.
(c) 150 sq.yrds for land acquired between 5 to 10 Bighas.
(d) 250 sq.yrds for land above 10 Bighas.
It was contended that since the acquisition procedure has been streamlined since 3.4.1986 and compensation has been made 'fair' the policy of alternative allotment needed the above mentioned modifications.

iii) *Allotment of Plots to the LIG & MIG Categories*

In its initial stages, the DDA incorporated co-operative plot development through disbursement of plots to individuals. There are 127 societies in Delhi which have received plots under such scheme. Since 1977, in view of the scarcity value of land, the DDA shifted its thrust to group housing schemes. Nazul Rules provide that except for allotment of land to certain public institutions, to the persons whose land has been acquired or to LIG, MIG and co-operative housing societies, as mentioned in rule 5, the land would be allotted on payment of such premium as determined either by auction or by tender.

According to Rule 24 of the Nazul Rule the payment of premium is as follows:-

(a) 25% of the total land premium for the plot, and an amount required by the authority (not exceeding 10% of the premium) deposited along with application for allotment of land.
(b) 50% of the premium shall be deposited before taking possession of the land or within 2 months of receipt of communication from the authority offering possession whichever is earlier.

(c) Balance premium after adjusting the earnest money is deposited after taking possession of land or within two months of intimation by the authority about possession of land.

If the payment at any stage is not made in accordance with the stipulation, the earnest money deposited is forfeited. The authority then can allot the land to any other person in the priority list of a cooperative society. While fixing price of land for allotment for residential purposes, 50% of the gross area is considered as renumerative area. Thereafter subsidy is given to the LIG and a profit is charged from the MIG. This issue will be taken up in further detail in chapter 6.

Nazul-II land under the scheme of large scale Acquisition, Development and Disposal of land in Delhi are generally disposed off in the following manner:-

i) Plots meant for individuals in the MIG, LIG, Janta and EWS categories and for those whose land has been acquired (alternative allotments) are allotted at predetermined rates. The
maximum sizes of plots to be allotted to these categories for residential purposes have been prescribed in Rule-18 of the DDA (Disposal of Developed Nazul Land) Rules 1981 as under:-

a) 104 sq.mts. in case of individuals belonging to low income groups.

b) 167 sq.mts. (but not less than 105 sq.mts.) in the case of individuals belonging to middle income group.

Apart from this, DDA auctions land measuring more than 167 sq.mts up to a maximum of 500 sq.mts.

Residential land is also auctioned by the DDA as per the condition laid down in Nazul Rule. The beneficiaries of such land can bid in the auction only after depositing a sum of Rs. 10000/- to the DDA. The highest bidder (the DDA can make a 15% variation on either side of the highest bid to adjust the cost of land) is entitled to perpetual lease hold right on the land and have to pay a sum equivalent to 25% of his bid to the DDA. Non-payment of such fees renders forfeiture of the amount of Rs. 10000/- deposited earlier and withdrawal of the auction. The balance 75% is paid within 60 days of issuance of the allotment letter. Extension of the payment of the balance amount is allowed under special circumstances for a period of 6 months. If the delay is of one month then an interest @ 18% is paid on the balance and if it is beyond 1 month then an interest @ 25% is paid on the balance amount.
The date of taking possession of land is mentioned in the allotment letter. If the beneficiary fails to turn up on that date then the next date is fixed on payment of a penalty of Rs 1000/-.

If possession is not taken within a period of 3 months of the payment of the balance amount of 75% of the premium then the auction stands canceled and the deposited money is forfeited.

The mark-up, on which auction bidding for DDA land takes place, are called the reserved rates. This reserve rate is fixed by giving 100% increment to the pre-determined rates fixed for colonies in South Delhi i.e. Safdarjung Enclave, Friend's Colony, East of Kailash and Masjid Moth. For colonies in other areas these rates are arrived at by giving 10% increase to the pre-determined rates fixed for MIG plots in these colonies. The rates are then rounded to the next fifty rupees. This formula was reviewed in September 1985 and it was found that the reserve rates so estimated has no relevance as compared to the market rates of land. Thereafter the Vice Chairman's decision was to the effect that the average auction rate for auction made in the preceding year, should be taken as the mark-up. However to avoid steep hike in land price it was decided that the reserve rates may be kept at 25% below the rates received in that residential area.
Incidentally there is no mention of the allotment of plots to the EWS categories, excepting in Rule 11. The stipulations available do not specify the basis on which the EWS incumbents will be allotted plots, their size or the mode of payment. It has been left to the policy makers to work out these details from time to time.

It can however be noted that the first major effort to provide housing for the poor was made while launching the Rohini project in 1981. The sub-city was planned to accommodate a population of 8.5 lakhs in an area of 2497 hectares. In this project the incumbents were divided in three income groups as follows:

- upto 7200/- p.a. Janta
- 7200-12000/- p.a. LIG
- 12000-24000 - p.a. MIG

The plot area to be allotted to the Janta category was fixed at 67 sq.mts. There were also subsidies in pricing of land for the Janta category but that has been discussed in chapter VI. The housing dept. since its inception, however, had placed emphasis on EWS/Janta category dwelling units. The policy and perspectives of the housing dept. has also been provided in the fifth chapter, discussing the performance of the public agencies in the shelter market with special reference to the poor.
Land to Co-operative Housing Societies

There is no special law dealing with Co-operative housing societies but the general law on the subject of Co-operative Societies applies to Co-operative Housing Societies also. A comprehensive Co-operative Societies Act was passed in 1912. The Bombay legislature formed its own law in the year 1925 called the Bombay Co-operative Societies Act 1925. It was found that the Bombay act was suitable for conditions in Delhi and hence the act was extended mutatis mutandis to Delhi on Jan 1949. Learning from the experience of the above said act and after several recommendations the Delhi Co-operation Societies Act was formed in 1972 which came into force on 2.4.1973.

The Delhi Co-operative Societies Rules, 1973 made under the Delhi Co-operative Society Act 1972 recognises three types of housing societies, namely:

i) Tenant ownership Co-operative housing society where land is held either on leasehold or freehold basis by the society and houses are owned by members.

ii) Plot holder's housing co-operative societies which acquires land either on leasehold or freehold basis, develops into a residential area according to approved layout plan and sells residential plots to its
members. Here, the members own the land on a lease-hold or free-hold basis.

iii) Tenant Co-partnership Housing Co-op societies which holds both land and buildings either on lease hold or free hold basis and allots them to its members. In this case, the member are not the owners of the land or the building.³

Rule 21 of the Nazul Rules refers to procedures of land allotment to the co-operative societies but it has been mentioned that particulars would be decided by the policy makers over time, while allotting land to the beneficiaries.

In the scheme of 1961 the ceiling for land for co-operative societies were fixed at 1200sq.mts. The minimum size was 104 sq.mts. Later, the maximum size of plots were reduced to 400 sq.yrds. All these societies were initially under the Land and Building Department, Delhi Administration for the purposes of allotment of land, recovery of ground rent etc. In the year 1969, twenty seven societies were transferred to the DDA. By 1981, the Delhi administration had under its supervision only one society namely the School Teacher's  co-operative house building society while the remaining 99 were transferred.
Hence as of today, there are principally two types of co-operative societies in operation in Delhi, (a) The tenant ownership co-op housing societies and (b) Plot holder's housing co-operative societies. The second variety, being operated under the supervision of DDA, can be more rightly called the Tenant Co-partnership Housing Co-operative Societies. The third type of societies discussed above do not exist in Delhi.

By 1977, the DDA shifted its emphasis from plotted development to group housing. Allotment of land to the group housing societies are based on the following guidelines:

(a) Priority in allotment of land to the societies is based on the date of registration provided the cost of land has been paid by the society within the prescribed period.

(b) Allotment of land to co-operative societies should be on the basis of 50 apartments per acre with a 15% variation. Normally a group housing society is allowed not more than 2 acres of land.

(c) The maximum size of the carpet area of the flat/apartment is restricted to 2000 sq.ft.

As per the provisions of the Nazul Rules of 1981, premium for land allotted for housing is realised by installments in the following manner:

(a) The first installment is paid as 25% of the total premium for land along
with the application for allotment of land. Along with this a sum of money as decided by the authority not exceeding 10% of the premium is also paid.

(b) 50% of the premium shall be deposited within 60 days of the issue of demand-cum-allotment letter.

(c) Balance premium is deposited before taking over possession of land, or within 2 months of receipt of communication from the authority offering possession which ever is earlier.

For allotment of flats to the members of the society, it is mandatory that 70% of the construction should be complete. For taking possession of the flats, a certificate of the Architect for completion of 90% construction, is required. The entire allotment of specific flats is done under the supervision of the Dy. Director (Group housing) of the DDA and a representative of the Registrar, Co-operative society.

In August 1988, the DDA made an announcement that the applicants registered with the HUDCO New Pattern Scheme (1979) and having priority number of more than 10,000 may shift to co-operative group housing. This was to clear the backlog created in the housing wing. In response to this proposal 6425 applications were received, 2155 from MIG registrants and 4270 from LIG registrants. It was decided that applicants desiring conversion from the
new pattern scheme to this voluntary scheme called the 'Awas Sakar Yogana' will be given overriding priority to other co-operative group housing societies. It was decided that land for 'Awas Sakar Yojana' would be allotted from the 60% of land earmarked for DDA's own public housing programmes and not from the 40% quota fixed for co-operative group housing societies.

The procedure for fixing the pre-determined rates for 'Co-operative Group housing' is similar to that of residential plots. Only the renumerative area for the purpose of fixation of pre-determined rates is taken as 60% of the gross area of land allotted for group housing, instead of 50% as in case of plotted development. To meet the expenses for development in areas of East Delhi there is also an equalisation charge added to the cost of development as mentioned below:

i) South Delhi areas :- Rs. 50 per sq.mts.

ii) North & West Delhi areas:– Rs. 25.00 per sq.mts.

iii) East Delhi:– Nil.

DISPOSAL OF COMMERCIAL LAND AND COMMERCIAL ESTATES

As has been mentioned earlier, the schemes of large scale acquisition, development and disposal have 3% to 4% of land earmarked for commercial purposes. These lands are the most important source of DDA's revenue, as
noted above. The DDA disposes the commercial plots in developed areas in accordance with the provisions of DDA-Nazul Rules 1981. Commercial estates on the other land refer to built up commercial units which are disposed under the provisions of DDA-Management and Disposal of Housing estates-1968.

Commercial plots are generally disposed by auction or by tender as per the provisions of Nazul rule 8. Commercial estates on the other hand, are disposed through auction or allotted at predetermined rates to the targeted groups.

1) **Commercial Land**

Development of commercial land is the responsibility of the Engineering Department of the DDA. Both external and internal development is conducted by this department. After the demarcation of the plots according to plan has been done, the plots are disbursed either by auction as per the provisions of Nazul Rule 28 or by tender according to Nazul rule 38.

In case of auction, the highest bidder is allotted the plot, subject to confirmation by the Vice Chairman. The bidder then have to play 25% of the price immediately. The balance 75% is paid within 90 days of the issue of the demand letter. An extension of a maximum of 180 days is
permitted on payment of interest on the balance amount at the rate of 18% per annum, for a delay of 30 days and 25% per annum for the entire amount for a delay beyond 30 days. This provision can be utilised only when an application seeking extension is made 7 days before the original deadline.

In case of tender, 25% of the price is to be deposited along with the tender, the land is allotted to the person with the highest value of the tender. The person is intimated within 15 days of opening of the tender and the balance 75% of the premium is paid as provisions similar to that of auction.

2) Commercial Estates

Built-up shops/commercial units are disposed through auction procedure similar to that of commercial land. But two important aspects of commercial estate are penalties levied due to (i) failure to take possession and (ii) failure to start business in time. The penalties are as follows:

<table>
<thead>
<tr>
<th>Penalty (in Rs per month)</th>
<th>Shops/offices</th>
<th>Stalls/Kiosks</th>
</tr>
</thead>
<tbody>
<tr>
<td>failure to take possession</td>
<td>1000</td>
<td>500</td>
</tr>
<tr>
<td>failure to start business</td>
<td>500</td>
<td>200</td>
</tr>
</tbody>
</table>

TH-5010
Built-up shops/offices etc. are allotted to certain special categories on the basis of pre-determined prices or market rates. The major categories are being discussed below.

The major chunk, i.e., 25% of the shops, are reserved for SC/ST candidates. The applicants are required to deposit a sum of Rs. 2000/- along with the application. The successful candidates are intimated within 60 days of the issue of the demand letter. The balance 75% is to be paid over 24 equal monthly installments along with an interest @ 6% per annum.

Presently 5% of the allotments are made to handicapped persons. These allotments are made at pre-determined rates, i.e., after giving a 10% hike on the current reserve price for LSCs (Local Shopping Centres) and 50% of the reserve price for community centres. Apart from this, 1% of the shops are reserved for the freedom fighters and 2% to the ex-servicemen. DDA also makes allotments to unauthorised occupants (10% of the land) removed through clearance operations, at market price. Some plots are also given to war widows, and people in extreme distress.

Another aspect of disbursement of the Commercial Estates is the Self Financing Scheme flats/apartments to companies for commercial purpose. The first scheme was floated in 1984. Allotments were made by draw of lots and
the applicants were required to pay Rs. 20,000 along with the application. Once the flat was allocated 25% of the premium was deposited. Thereafter, the balance was paid on 5 equal half yearly installments. In case of delayed payment an interest @ 18% p.a. was paid on the balance amount. The second scheme was launched in 1985. The registrants of 1984 who were not allotted land, were given priority under the scheme. Even those who had withdrawn their money were accommodated, provided they paid an interest of 18% on Rs. 20,000 from the date of withdrawal to the date of deposit again. Pricing of commercial properties is done by taking the total floor area of the commercial unit and the average auction price of a similar unit of the previous year into consideration. This gives the reserve price for auction or tender. The EWS is given a subsidy on the above mentioned formula which will be discussed in detail in chapter 6.

Disposal policy of commercial plots and built-up shops has been determined by the past trends in disposal of commercial land. Data obtained from DDA's Commercial Land Department reveals that since 1988 to 1992-93, there has been a continuous slump in the off-take of DDA's commercial plots and land. This affected DDA's revenue earnings. Moreover, the authority had to incur a large expenditure in maintaining the undisposed plots.
It has been assessed by the authority that the major obstacle behind non-disposal of the commercial properties has been the high cost of commercial units. Thus, to ensure higher sale of commercial properties, the Authority proposed a 25% cut in prices of all plots not disposed for 2 years and a 10% on reserve prices for auction (the reserve price for auction is determined by taking the average auction price of the preceding year). But there has not been any improvement in DDA's sales even after reduction in prices of commercial properties.

**DISPOSAL OF INDUSTRIAL LAND**

Industrial land in Delhi is allotted to the following four categories namely as noted above, (a) to individuals whose land has been acquired, (b) for industries which has to shift from non-conforming areas, (c) to industrialists who hold import/manufacturing licenses, and (d) to Small Scale Industries.

For the purpose of allotment a Land Allotment Advisory Committee is constituted to process the applications for industrial land. The price for the allotment of land to the industrialists is determined on the following basis.

(a) When the unit was working in a non-conforming area prior to 1-9-62 holding a valid licence from the MCD it is given land at predetermined rates or at a no-profit-no-loss basis. Land at pre-determined rates is also
given to incumbents whose land has been acquired under the Land Acquisition Scheme.

(b) Industrialists who either operated prior to 1-9-62 in a non-conforming area without a valid licence from the MCD or started operation after 1-9-62 in a non-conforming area with a licence are to be allotted land at commercial rates.

(c) Industrialists who have set-up their units in non-conforming areas after 1962 without a valid MCD licence are to be allotted land at a rate 20% more than the commercial rate. The same rate applies to persons whose area of operation has been subsequently declared as non-conforming as per Master Plan regulations or those who run industries with a licence for commercial operations.

Land to be allotted at commercial rates is either auctioned or disposed through call of tenders.

The allotment of an alternative industrial plot to persons whose land has been acquired or is earmarked for acquisition would take place only if there was some industrial activity prevailing in the acquired land. The existing norm is as follows:
Area under occupation of the unit on the acquired land

<table>
<thead>
<tr>
<th>Area under occupation</th>
<th>Recommended max size</th>
</tr>
</thead>
<tbody>
<tr>
<td>i) 50-300 sqmts.</td>
<td>100 sqmts.</td>
</tr>
<tr>
<td>ii) 301-500 sqmts.</td>
<td>200 sqmts.</td>
</tr>
<tr>
<td>iii) 501-900 sqmts.</td>
<td>300 sqmts.</td>
</tr>
<tr>
<td>iv) above 901 sqmts.</td>
<td>500 sqmts.</td>
</tr>
</tbody>
</table>

* provided size of alternative plot is not exceeding the size of acquired plot. If the alternative plot is marginally bigger than some extra sum is charged.

Source: DDA Land department.

As for the case of relocation of industries in non-conforming areas, recommendation of the Directorate of Industries is required for allotment of plots. The Directorate has resolved a standard for allotment against assessment of existing industries as follows:

<table>
<thead>
<tr>
<th>Areas assessed by Dir. of Industries</th>
<th>Areas to be allotted</th>
</tr>
</thead>
<tbody>
<tr>
<td>50-300 sqyrd</td>
<td>200 sqyards</td>
</tr>
<tr>
<td>301-500 sqyrd</td>
<td>400 sqyrd</td>
</tr>
<tr>
<td>501-900 sqyrd</td>
<td>605 sqyrd</td>
</tr>
<tr>
<td>901 sqyrd and above</td>
<td>1210 sqyrd</td>
</tr>
</tbody>
</table>

Source: Land department - DDA.

In both the cases mentioned above, land is allotted at predetermined rates. From the DDA, land department, clear-cut policy regarding payment of installments were not available. But the general norm is that 25% of the premium is paid on allotment. Fifty per cent is paid at the time of possession
and the balance when all services have been provided. In case of relaxation of terms and conditions, the installments, after payment of 25% of the premium on allotment, is paid on 5 terms. The incumbent have the option of not paying the 1st and 2nd installments and pay the last three installments at 25% of premium at seven and a half per cent annual interest.

Data regarding industrial plots allotted to persons whose land has been acquired or relocation of industries has not been so far maintained by the DDA. Auctioning of industrial plots or development of industrial areas being beyond the scope of this study, such discussion are not being incorporated.

**DISPOSAL OF INSTITUTIONAL LAND**

Land under institutional category is disposed as per the provisions of Rule 20 of the Nazul Rule. The premium and ground rent for allotment of land to various institutions and public organisations including Government Departments are fixed by the Central Government from time to time. The land provided by Ministry of Urban Development, Government of India can broadly be classified into four categories for which different rates as changed:

(a) Transfer of land between Central Government Departments: In such cases land is transferred on a no-profit-no-loss basis. The rates are Rs. 15.6 lakhs per acre which were valid for the period 1-4-91 to 31-3-92.
(b) Land for Social Infrastructure: Concessional rates (less than no-profit-no-loss rates) are charged for certain specified categories of social infrastructure, e.g. land acquired for playgrounds, parks, graveyards, cremation grounds and road widening. Here land is to be allotted free of cost charging only a licence fee of Rs. 1 per acre per annum. Again land for some unrenumerative institution and services run by local bodies (schools, public libraries, hospitals, etc.), is to be allotted at only Rs.10,000/- per acre. Land for recognised and aided educational institution is to be allotted at 25% over the no-profit-no-loss rate i.e. Rs. 3.25 lakh per acre.

(c) Land for Public Institutions: When a public institution require land for non-remunerative purpose (State Government, PSUs, Foreign Mission, etc.), but not for providing social infrastructure, market price is charged from the institutions.

(d) Allotment of land to other institutions other than those mentioned above.

The rate for allotment to institutions other than aided and recognised institutions and hospitals and public utility services run by local bodies were revised w.e.f. 1-4-87 as a multiple of the break even price, ranging from 1.25 to 4 times. Moreover the concept of pricing on zonal basis was also introduced due to varying demand for different zones. The rates for the period 1-4-91 to
31-3-92 are as follows:

<table>
<thead>
<tr>
<th>Zone</th>
<th>Specified localities comprising</th>
<th>Lakh Per Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>in Central Zone</td>
<td>Rs. 62.4</td>
</tr>
<tr>
<td>II</td>
<td>South Zone</td>
<td>Rs. 46.8</td>
</tr>
<tr>
<td>III</td>
<td>in West Zone</td>
<td>Rs. 39.0</td>
</tr>
<tr>
<td>IV</td>
<td>in North Zone</td>
<td>Rs. 31.2</td>
</tr>
<tr>
<td>V</td>
<td>in East Zone</td>
<td>Rs. 23.4</td>
</tr>
</tbody>
</table>
Zone VI

Narela and other outlying colonies Rs. 19.5

Source: DDA Land department.

A SUMMARY OF THE POLICY AND PRACTICE OF LAND DISPOSAL BY DDA

From the above said discussion on policies pertaining to disposal of land in different land-use categories the following major conclusions emerge:

(a) Provisions for housing the poor in the residential areas has been quite insufficient. Though the DDA often talks of well formulated schemes for disposal of land to the LIG, the system of indirect subsidy invoked therein do not favour the poor adequately. This is because of the following two reasons.

One, there is no stipulated time limit within which land or dwelling units are to be constructed and supplied. Undue delay in this regard leads to cost escalation and consequently non-payment of installments. This leads to cancellation of allotment. On the contrary, there are provisions for late payment of premium for the auction land. Also the plots to higher income groups are to be supplied within a given time-frame. Here, auction is made only after the land is developed and
ready for allotment. The highest bidder is required to collect the allotment letter from the authority not later than the second working day after the date of auction. Thereafter, the balance payment of 75% to be paid without penalty within 60 days of the issuance of the allotment letter. Hence, if the highest bidder is ready to make prompt payment the plot can be obtained within a few days. Considering the fact that the cost of free market plots are much higher than the DDA plots, an incumbent belonging to the HIG category can obtain the DDA plots quite easily.

As a matter of policy, it was decided that to boost the Revolving Fund, auctioning of land for HIG will be preferred to allotment of land to LIG or MIG. This ensured a regular supply of HIG plots, whereas a comparatively smaller percentage of the land was disposed off to people in the low income groups.

Secondly, EWS plots were allotted for the first time in Rohini, as has been mentioned before. The size and quality of the dwelling units were much above the affordability of the poor. This led to en masse change in ownership of land as well as land-use. In many cases upward filtration took place through the purchase of adjoining EWS plots by the richer sections of the population. Reacting to such a situation, DDA resolved
that the EWS plot sizes should be reduced from 40 sq.yrds. to 20/25 sq.yrds. to prevent consolidation of smaller plots by the people in higher income brackets. However, this did not stop sale and transfer of property and displacement of the poor by non-targeted people. It was then considered on a large scale that the poor would be better served if the DDA takes up the role of a facilitator rather than a provider of land or housing.

(b) There has been criticism by the persons whose land has been acquired, that the price charged for their alternative allotment is very high. Their grievances in this case is that, the cost of developed land is many times higher than the compensation paid for acquisition. They have argued that the break even price fixed by the DDA does not reflect the actual cost of land development.

DDA, on the other hand, has been unable to bring down the cost of land development and therefore the break even price. It has, therefore, tried to compensate the effected people by providing other benefits like built-up employment within DDA etc. that has added to the cost burden of the organisation. It remains enigmatic as to why DDA should not charge the actual development cost of land, after investing valuable resources to change the use of land from non-urban to urban use. Much
of the criticism of the public intervention in this regard is being entertained with strong political motive at the expense of urban development programmes.

(c) Allotment of land to the co-operative housing societies have actually benefited the better-off sections of the society. It is evident that the poor do not have the organisational ability to form societies and acquire funds for house-building. Thus, the DDA's policy to regularise supply in the shelter market glossed over the plight of the poor even in case of the co-operative societies.

(d) Auctioning of commercial land has been a major revenue earner and it subsidises many of the authority's Welfare schemes. It has been observed that, of late, there has been very few takers of DDA's commercial properties. The authority has conceded that the major impediment is an unrealistic pricing policy and therefore resorted to cost prices. The other components of the commercial property such as the location of shops, size etc., which has to be according to the taker's specifications have been ignored. There is a high demand for smaller shops which should have been considered in constructing the commercial units. Also, the bigger shops are generally required by rich entrepreneurs. Hence if their specifications regarding construction and
locations are not met, they can make alternative renumerative arrangements for their activities. Another aspect which needs attention is that mis-use of premises. Use of residential premises for commercial activities undercuts the demand for commercial properties supplied by DDA. If DDA intends to earn revenue through sale of commercial properties it must implement the land-use restrictions rigorously.

(e) DDA's time-old policy of shifting industrial activities from non-conforming areas has been an unrenumerative proposition. No industrial unit is happy to forego its locational advantage by shifting to a new area. Policy makers are of late considering an alternative of forcing the industries in non-conforming areas to switch over to trading activity. This measure is still in an experimental stage. It may also be mentioned that the scope of the Land Allotment Advisory Committee is quite limited. The LAAC scrutinises applications for allotment for industrial land before the setting up of the industry. If the purpose is to ensure appropriate land use in the city, this exercise of scrutiny is inadequate. A proper system of monitoring the units would be important for ensuring that the land use violations do not occur.
Notes


2. Ibid.

3. Planning and Execution of Group Housing Projects - Guidelines for Obtaining Building Permits - DCHFS.