

Chapter 9 - Conclusion

As brought out in the Report, alienation/ allotment of land during 2006-11 (period covered by this Report) was characterized by grave irregularities, involving allotment in an ad hoc, arbitrary and discretionary manner to private persons/entities either directly or through APIIC at rates far below market value, without safeguarding the financial and socio-economic interests of the State. There was no policy for land alienation, which would have minimized arbitrariness and ad-hocism and safeguarded public exchequer, while at the same time, promoting desirable social causes in an open and transparent manner.

The land valuation proposed at different established levels of the Government hierarchy set up by the Government itself to protect the public interest, were disregarded, even as these were already below the true market value of land thus granting further undue benefit to the private parties. In view of land being finite and scarce, the entire set of land alienations commented upon in this report represents a substantial and permanent loss to the State without commensurate benefit to the public. In some cases, such allotments also involved irregular alienation of water bodies, sites of historical, cultural and archeological importance.

Since in the large majority of cases, the envisaged development projects have not materialized, the public purposes for which the land was alienated at cheap rates have not been fulfilled. Instead, it has merely facilitated growth of the real estate business of private developers. Although hundreds of acres of lands were transferred to various applicants for creation of Special Economic Zones and industrial parks, the stated objectives of such transfers in terms of employment and economic growth remained unachieved. In all such cases, Government should immediately initiate action under law, for cancellation of the allotments .

While the Government had channelized thousands of acres of land through APIIC for industrial development, the latter could neither propel the State towards targeted industrialization nor safeguard Government interest while entering into development agreements and in related allotment of lands to various entrepreneurs. It also failed to monitor effectively the end use of allotted land causing huge loss to Government exchequer. It, in effect, became a conduit for transferring Government land to entities and persons, whose ability to undertake developmental projects was never seriously scrutinized.

Government has been a mute spectator to encroachment of its lands and instead of instituting a mechanism for preventing and detecting illegal encroachments and dealing with them swiftly and effectively, it has, in a sense, fuelled such encroachments by regularizing unauthorized encroachments, collecting meagre revenue in the process, for reasons that are prima facie susceptible to doubt. Worse

still, it paid substantial amounts for reacquiring its own lands from persons who had occupied these lands illegally.

Government has also not instituted appropriate internal controls at various levels to ensure transparency and consistency in allotment of land, as well as full compliance with the conditions of allotment, notably setting up of the stipulated facilities within the mandated timelines. In the absence of assessment with regard to the extent of land required for each specific purpose, there was lack of uniformity in allotting land for similar purposes to different parties.

The Special Chief Secretary & CCLA stated in February 2012 that a new policy on land allotment has been formulated in consultation with all the recognized political parties detailing specific norms on the extent of land to be allotted, its valuation, environmental concerns and enforcement measures and providing for setting up a Land Management Authority with powers to review allotments made in the past and take appropriate decisions with regard to violations of rules. The proposed policy, which was stated to be under active consideration of the State Government, is a welcome step in the right direction.



(VANI SRIRAM)
Accountant General (Civil Audit)
Andhra Pradesh

Hyderabad
The

Countersigned



(VINOD RAI)
Comptroller and Auditor General of India

New Delhi
The