

Presented to
the Legislature
on 8/7/14

**Report of the
Comptroller and Auditor
General of India**

on

**Land Management by the Government of
Kerala with special focus on land for
Aranmula Airport and Smart City Kochi**

**Government of Kerala
Report No. 6 of the year 2014**

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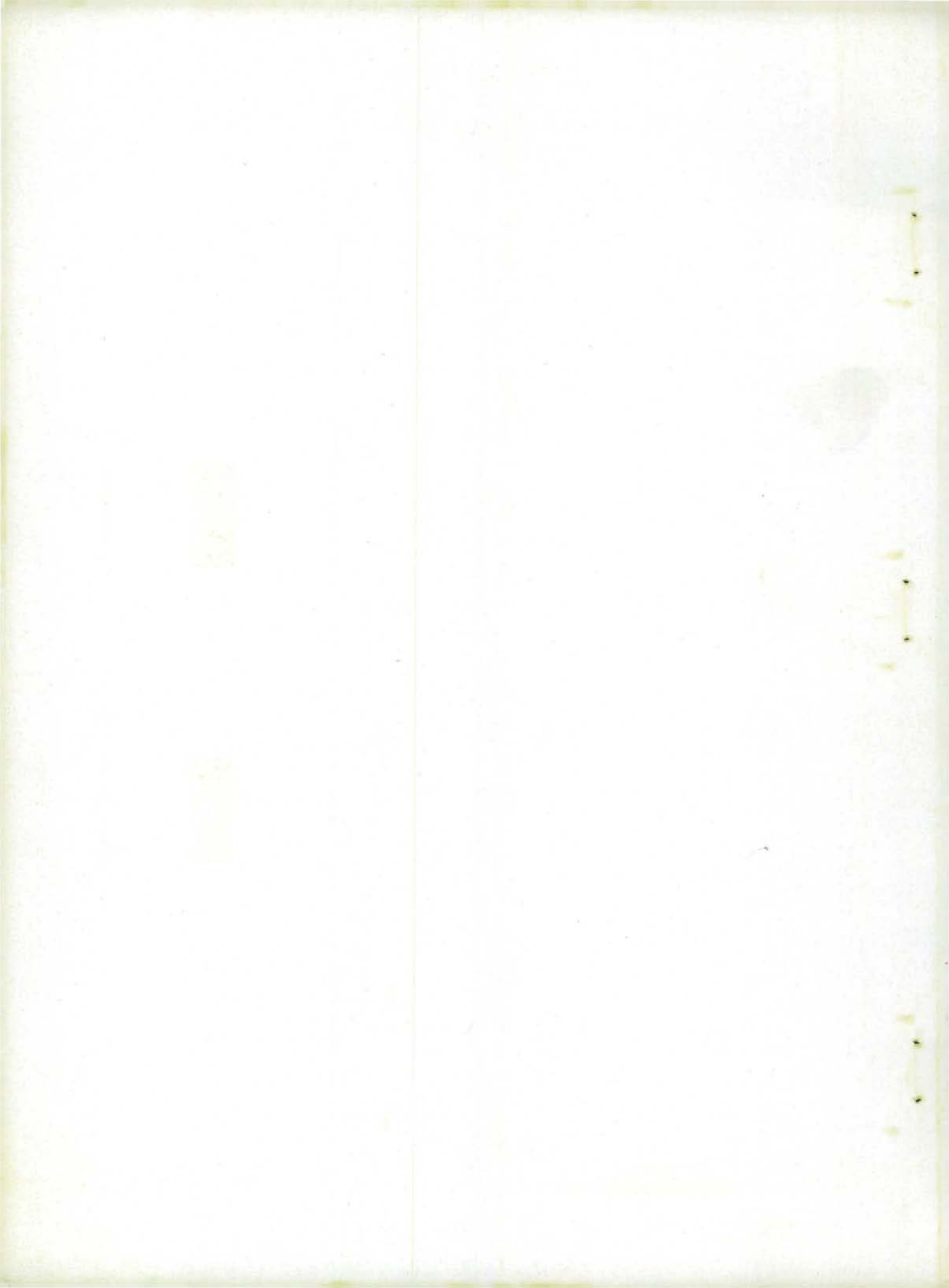
Preface

This Report of the Comptroller and Auditor General of India for the year ended March 2013 has been prepared for submission to the Governor of Kerala under Article 151 of the Constitution of India.

The Report contains the significant results of audit of the 'Land Management by the Government of Kerala with special focus on land for Aranmula Airport and Smart City Kochi' during 2008-09 to 2012-13.

The instances mentioned in this Report are those which came to notice in the course of audit for the period January to November 2013.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.



Executive summary

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Assignment of Government land

The land management policy laid down through various orders and circulars was not scrupulously followed. Though more than 38 Acts/Rules were framed from time to time after independence, there is no streamlined system for periodical renewal of lease and timely revision of lease rent. There was failure on the part of departments in identification and accounting of the Government land, post lease monitoring of the leased out land and in the collection of lease rent. Non/short realisation of lease rent, non resumption of land assigned on violation of lease conditions, alienation of Government land, cases of assignment of land to encroachers and cases of incorrect concession allowed to private entities etc were also noticed. Total financial impact of audit observations amounted to ₹ 1,077.74 crore.

[Chapter II]

Management of Forest land

Considerable area of forest land was given on lease to Public Sector Undertakings. In the absence of a consolidated register showing details of land on lease, the extent of land on lease is not available in the Department in a consolidated form. The rate of lease rent in respect of PSUs was not revised since 1989 causing huge revenue loss to the Government. The Department also failed to collect lease rent arrears to the tune of ₹ 196.85 crore in 140 cases where in 42,130.49 Ha. of forest land was leased out. Non-execution of lease agreements, short demand of lease rent, failure to check non-adherence to lease conditions, failure to take action in cases of violation of lease conditions, assignment of forest land in excess of Government of India directions etc were also noticed. Total financial impact of audit observations amounted to ₹ 215.46 crore.

[Chapter III]

Acquisition, development and allotment of land for industrial purpose by PSUs

Forty one allottees did not utilise (March 2014) the land measuring 180.57 acres allotted in different IT parks by KINFRA, KSIDC and KSITIL defeating the very objective. Deficiencies were also noticed in the acquisition, development and allotment of land by the PSUs. There was wasteful/extra expenditure on acquisition/development, purchase of land at exorbitant price and extending undue benefit to private sector companies. Unusual Joint Venture (JV) arrangements led to transfer of the land acquired for allotment to private hands (INKEL share holders). The financial impact of audit observations amounted to ₹ 212.02 crore.

[Chapter IV]

Issues in respect of land and ecological impact - Aranmula Airport

There was a failure of Government machinery right from the lowest revenue officials to the highest level in preventing an individual from illegal acquisition of land, holding of excess land, encroachment of government land,

