

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

on

Land Allotment

**GOVERNMENT OF ANDHRA PRADESH
2011-12**

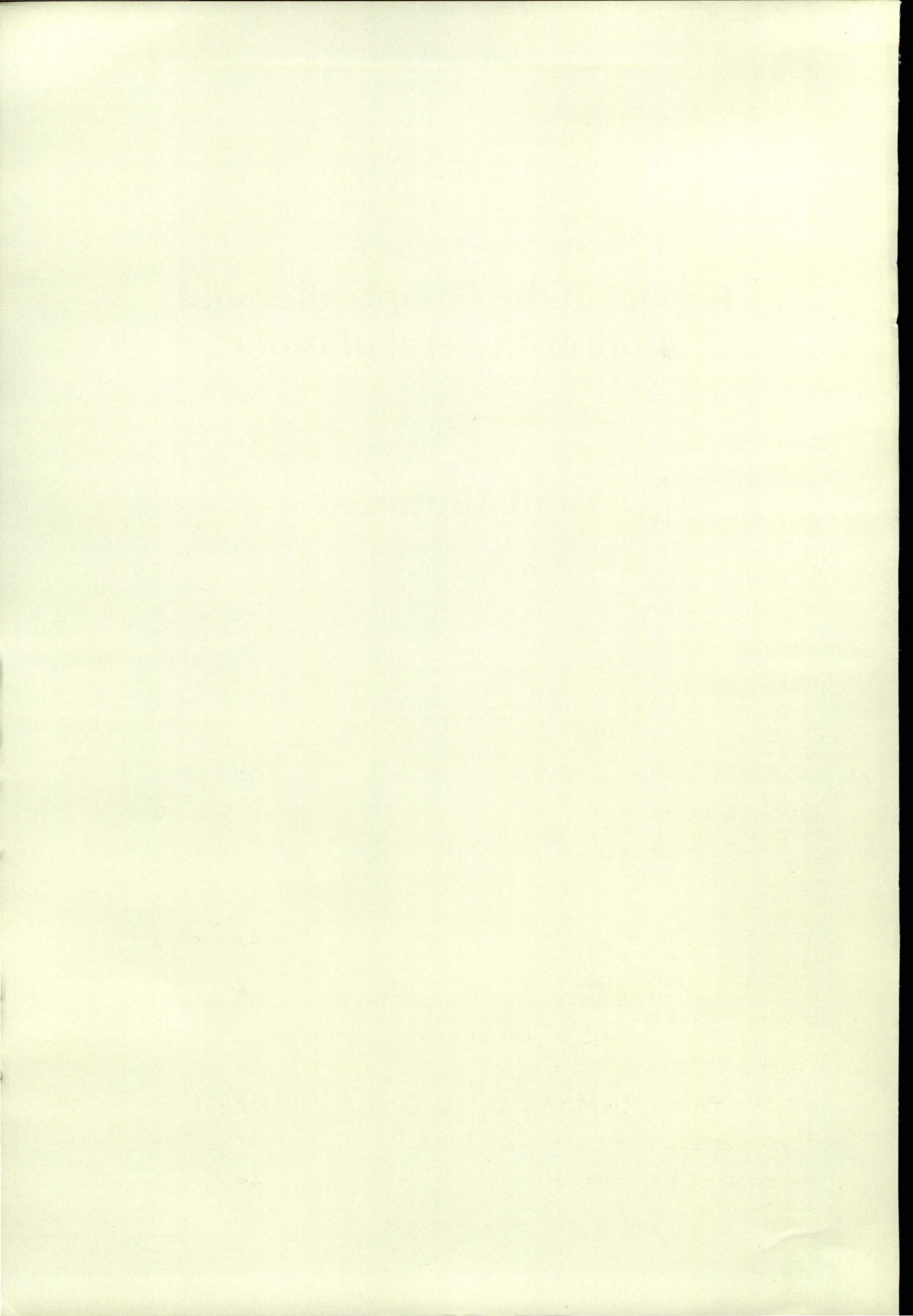


Table of Contents

	Reference to	
	Paragraph	Page
<i>Preface</i>		v
<i>Executive Summary</i>		vii
Chapter 1 Overview		
Introduction	1.1	1
Organizational structure	1.2	1
Chapter 2 Audit Framework		
Audit objectives	2.1	2
Scope and methodology of Audit	2.2	2
Audit criteria	2.3	3
Acknowledgement	2.4	3
Chapter 3 Land Records		
Land use policy	3.1	4
Updation of land records	3.2	4
Chapter 4 Alienation of Land		
Introduction	4.1	6
Alienation of land during 2006-11	4.2	8
Non-realisation of alienation cost	4.3	9
Lack of uniformity and transparency in allotment	4.4	9
Allotment to Brahmani Industries Ltd (BIL)	4.5	10
Allotment to Obulapuram Mining Company (OMC)	4.6	12
Allotment to Bellary Iron Ore Pvt. Ltd	4.7	13
Allotment to Lepakshi Knowledge Hub Pvt. Ltd.	4.8	13

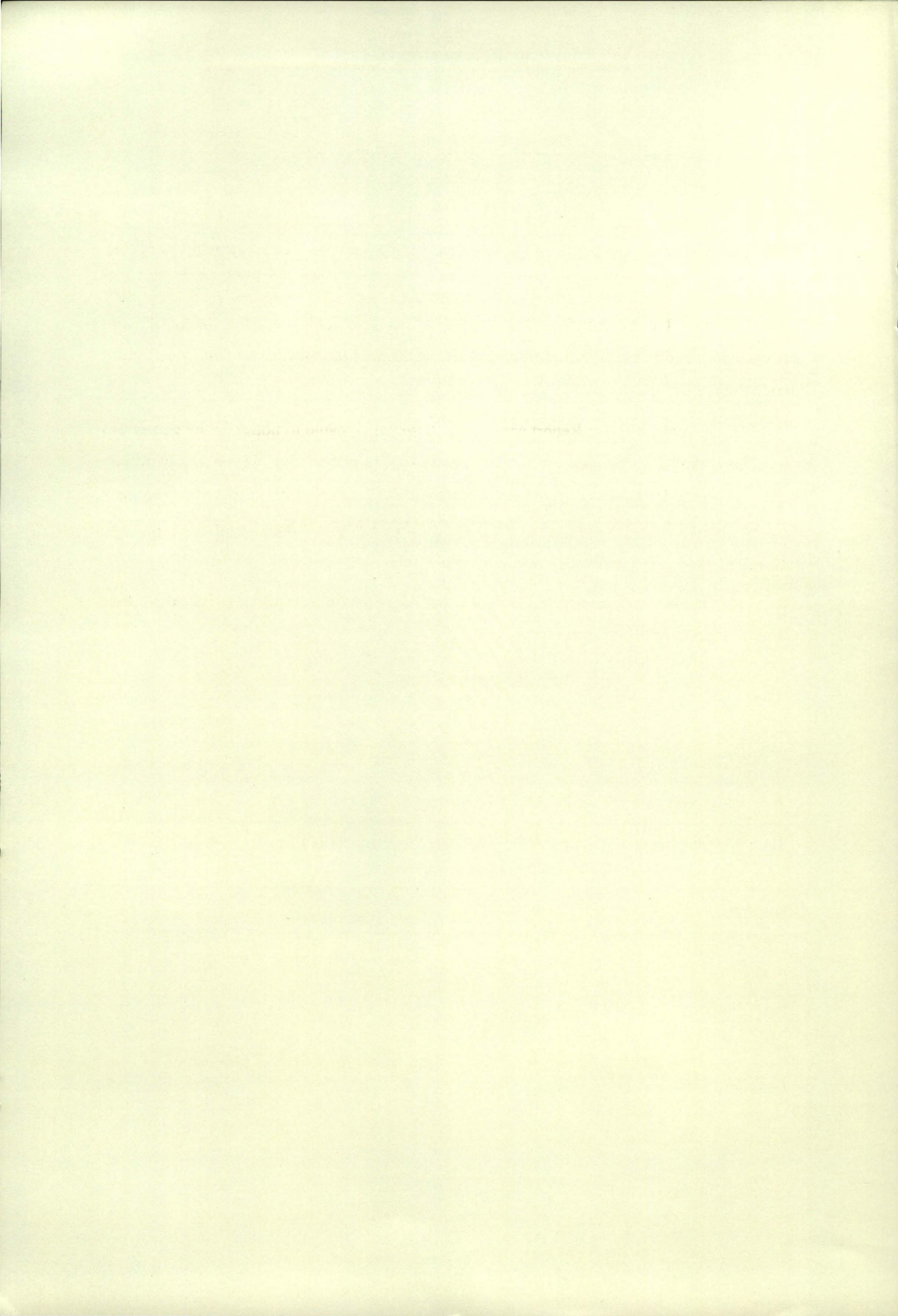
Reference to

	Paragraph	Page
Allotment of land for ICT	4.9	15
Allotment to VANPIC	4.10	19
Allotment to Georgia Institute of Technology	4.11	21
Allotment to Emaar Properties	4.12	21
Allotment to Gimpex Ltd.	4.13	23
Allotment to Aurobinda Pharma Ltd.	4.14	23
Allotment to Simhapuri Energy Pvt. Ltd. and others	4.15	24
Allotment of assigned land to Apollo Hospitals	4.16	24
Allotment to Pearl Breweries Pvt Ltd.	4.17	25
Allotment to Hospitalia Eastern Pvt. Ltd	4.18	25
Allotment to Indu Genome Valley Project	4.19	26
Allotment to Educational Institutions	4.20	27
Allotment to other entities/individuals	4.21	28
Assigned lands	4.22	29
Alienation of a Historical site to Whistling Woods International Ltd	4.23	29
Chapter 5 Employment Generation by SEZs		
Extent of employment generated	5.1	31
Chapter 6 Non-utilization of Land for Allotted Purpose		
Allotment to Health City	6.1	33
Allotment to Hardware Park, Maheswaram	6.2	33
Other cases of Non-utilisation	6.3	34
Chapter 7 Violation of Environmental Regulations		
Alienation of water bodies against orders of Supreme Court	7.1	37

	Reference to	
	Paragraph	Page
Institute of Management Technology (IMT)	7.2	38
Mining activities in areas allotted for non-polluting industries	7.3	38
Chapter 8 Encroachment of Government land		
Introduction	8.1	39
Compensation to illegal occupants of Government land	8.2	39
Continued illegal occupation of Government land	8.3	40
Acquisition of Government land	8.4	40
Illegal constructions within the limits of protected monuments	8.5	41
GO 166 of February 2008 on regularization of encroachments	8.6	41
Chapter 9 Conclusion		43

Appendices

		Reference to	
		Paragraph	Page
A	Amount yet to be realised for land alienated	4.3	45
B	Undue benefit extended while alienating Government land to various Organisations/Institutions/Individuals	4.4	49
Glossary			55



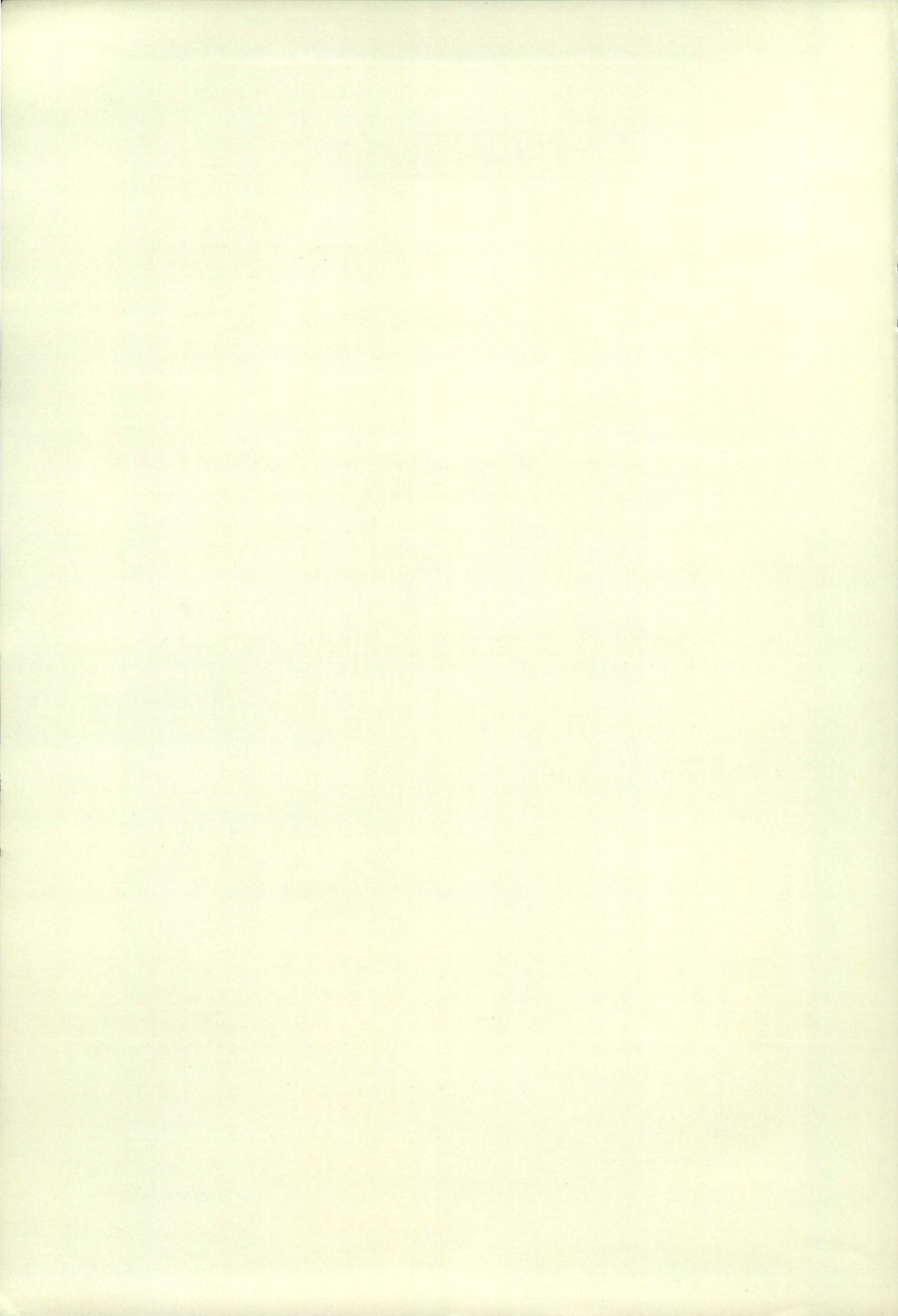
Preface

This Report has been prepared for submission to the Governor under Article 151 of the Constitution.

This Report of the Comptroller and Auditor General of India contains the results of performance audit of 'Land Allotment' in Andhra Pradesh during the five year period 2006-11.

The cases mentioned in this Report are among those which came to notice in the course of test audit (March - December 2011) of accounts for the period 2006-11 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2010-11 have also been included wherever necessary.

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



Executive Summary

Background

Government acquires private land for various public purposes under the provisions of the Land Acquisition Act 1894 (Central Act) as amended in 1984. Standing orders of the erstwhile Board of Revenue (BSO) and the Andhra Pradesh (Telangana area) Alienation of State Lands and Land Revenue Rules, 1975 authorise the Government to alienate its land for bonafide public purposes to a person, institution or local body.

(Para 1.1)

The Comptroller and Auditor General of India has been pointing out, in his Audit Reports, year after year, several irregularities relating to allotment of land by the Government of Andhra Pradesh. The State Government, however, is yet to take corrective measures in this regard and come up with a comprehensive policy relating to alienation/allotment of land. We have conducted a performance audit of 'land allotment', covering the allotments made by the Government of Andhra Pradesh during the five year period 2006-11. The objective of this performance audit was to assess whether the processes followed for land allotment were compliant with the legal framework and were transparent, consistent and protected the interest of the State, and appropriate value was realized while alienating land. As part of this audit, we have also examined the utilisation of the allotted land.

(Paras 2.1-2.2)

The main findings of the performance audit are summarized below:

Alienation/Allotment of Land

During 2006-11, the State Government alienated/ allotted 88,492 acres of land to 1,027 beneficiaries. In the 11 sampled districts, 459 allotments were made, involving 50,285.90 acres of land. Out of these, 409 cases were scrutinized in audit. Audit found that land allotments for commercial purposes were not made in a fair, consistent and transparent manner so as to serve the public interest.

(Paras 4.2 and 4.4)

Land policy and database

State Government did not have the primary data, which is essential for effective land administration. In the absence of a comprehensive database with regard to land, indicating the location and utilisation of clear Government land, assigned land and resumed land, in some cases assigned lands were allotted for other purposes. Government had also not formulated any land use policy defining its sector-wise priorities in utilization/ allotment of land for the present and future needs for socio-economic development of the state.

(Para 3.1)

Alienation of land

Alienation/ allotment of land by the State Government during 2006-11, was characterized by grave irregularities, involving allotment in an ad-hoc, arbitrary and discretionary manner to private persons/ entities at very low rates, without safeguarding the financial and socio-economic interests of the State. The rates proposed at different established levels of the Government hierarchy were disregarded and substantial benefits were unduly granted to private parties. Audit scrutiny revealed that in the test-checked cases undue benefit of ₹ 1784 crore was given to various entities and persons, due to the difference in the rates at which land was allotted and the market value as recommended by the District Collector/ Empowered Committee. In a large number of cases of land allotment, the State Government has ignored the prescribed procedures and disregarded canons of financial propriety.

(Para 4.4)

Some of the major irregularities noticed in land allotments included the following:

- 3,115.64 acres of land in Jammalamadugu Mandal, YSR district was allotted to Brahmani Industries Limited for setting up a Commercial Airport and Flying Academy, in violation of GoI's policy on setting up of commercial airports, and without verifying the suitability of the site and viability of the project. It overlooked the fact that the Kadapa airport was just about 50 kms away.*

(Para 4.5.1)

- 10,760.66 acres of land in the same mandal was allotted to Brahmani Industries Limited for establishing a green field Integrated Steel Plant, this involved illegal alienation of 674.58 acres of water bodies and allocation of 2 TMC of water from the Gandikota Reservoir, without environmental clearance or independent examination of the Project Report. As of November 2011, even the 1st phase of construction had not been completed.*

(Para 4.5.2)

- APIIC irregularly executed a sale deed for 8844.01 acres of land in Anantapur district in favour of Lepakshi Knowledge Hub Ltd. (LKH) even before creation of infrastructure by the developer (LKH). LKH did not establish any industry nor create any employment, but had mortgaged 4397 acres of allotted land for obtaining loans of ₹ 790 crore from the banks.*

(Para 4.8)

- The request of Obulapuram Mining Company (OMC), which had unauthorisedly occupied Government lands, for grant of lease of 413.81 acres of land was turned down by the Collector, Anantapur in August 2008. However, within a month thereafter, this position was reversed by the Collector who, at the request of APIIC, recommended alienation of 304.66 acres of land to APIIC (for transfer to*

OMC) for establishment of industrial park. The reasons for reconsidering the lease or alienating the land were not recorded.

(Para 4.6)

- *Government lost revenue of ₹ 874.03 crore by alienating 881.32 acres in Mamidipally Village, Ranga Reddy District to APIIC at a meagre cost. APIIC, in turn allotted 500 acres of this land at very low rates to Indu Tech Zone and Brahmani Infra Tech even before orders of alienation were issued.*

(Para 4.9)

- *The process of agreement with VANPIC and alienation of land lacked legitimacy and transparency. As the terms of agreement were loaded heavily in favour of VANPIC without leaving any elbow room to the Government to amend the provisions of the agreement, it had serious financial and legal implications for the government.*

(Para 4.10)

- *APIIC entered into an arrangement with K Raheja IT Park Pvt Ltd. (KRITPL), the terms of which, enabled the latter to sell/ mortgage Government land of 110 acres, apart from exposing Government to financial risk.*

(Para 4.9.4)

- *Government of Andhra Pradesh allotted 250 acres of land to Georgia Institute of Technology (GIT) based on the orders of the then Chief Minister at ₹ 1.50 lakh per acre against the prevailing market value of ₹ 18 lakh per acre which gave an undue benefit of ₹ 41.25 crore to the Institute. GIT is yet to pay the cost of the land*

(Para 4.11)

- *Government allotted 535 acres of land in Ranga Reddy district to Emaar Properties PJSC, Dubai through APIIC for establishing an 'Integrated project with international standard Convention Centre, a Star hotel, Golf course and Multi-use developmental Township'. However, the SPV set up in terms of the MOU with Emaar re-assigned the rights of development of the project to its sister concerns. This process diluted the financial stake of APIIC/ Government without its consent and diluted its control over a developmental initiative in which it had invested substantial equity.*

(Para 4.12)

- *Revenue of ₹ 72.07 crore and ₹ 39.60 crore respectively were foregone by Government, through allotment of land in Chillakur Mandal of SPS Nellore district (through APIIC) at very low rates for establishment of an industrial park by Simhapuri Energy Pvt. Ltd/ Vikas Power Ltd. and setting up of two power projects by Simhapuri Energy Pvt. Ltd/ Meenakshi Energy Pvt. Ltd.*

(Para 4.15)

- *Instead of taking action for unauthorized occupation of 20.06 acres by Bellary Iron Ore Ltd. (BIOL), the District Collector, Anantapur accepted an amount of ₹ 0.63 crore in respect of an application for an additional 50.69 acres of land by BIOL and disbursed awards to the assignees for resumed land, even before approval of Government.*

(Para 4.7)

- *In 60 cases, alienation cost amounting to ₹ 2,559 crore was not collected by the District Collectors from the institutions to which land was alienated between 2003-04 and 2010-11.*

(Para 4.3 and Appendix-A)

Allotment through APIIC

Government allotted over 34,000 acres of land to/through APIIC for industrial development in the State during 2006-11. However, APIIC could not provide the required thrust towards targeted industrialization of the State despite thousands of acres of land being alienated to it by the Government. Further, APIIC while entering into development agreements and related allotment of lands to various entrepreneurs, not only failed to safeguard Government interest but also failed to monitor effectively the end uses, causing considerable loss to Government exchequer.

(Chapter 4)

As APIIC allowed the private developers to utilize Government land for furthering their real estate business, the envisaged purpose of developing IT infrastructure and generating employment was defeated. APIIC did not safeguard Government interest in permitting these private firms to mortgage/ sell Government land exposing Government to financial risk.

(Para 4.9)

Employment Generation by SEZs

APIIC has been tasked with development of industrial infrastructure through development of industrial parks and Special Economic Zones (SEZs). Although hundreds of acres of lands were transferred for creation of Special Economic Zones and IT/ industrial parks, the objective of these allotments remained unachieved.

- *11 SEZs/ IT parks had not generated the expected employment. Against the total contemplated employment of 5.93 lakh jobs, four SEZs had generated zero employment opportunities and seven SEZs had generated only about 0.26 lakh jobs during the last 4-5 years.*

(Chapter 5)

Non-utilization of Land for Allotted Purpose

- *For establishment of 'Health City' in Visakhapatnam, APIIC allotted plots to ten hospitals with a stipulation to complete the projects within two years and extend free treatment to 10 per cent of poor out-patients and to the students of Government residential schools. However, none of the entrepreneurs had established the intended hospitals as of July 2011.*

(Para 6.1)

- *Government land to the extent of 615.43 acres were allotted, between June 2000 and June 2010, to 58 units in Hardware Park, Maheswaram, RR District. 36 units had not implemented their projects, while 11.97 acres of land were allowed to be irregularly diverted to 5 units for commercial purposes such as hotels, petrol bunk and office.*

(Para 6.2)

- *25 other cases involving non-utilisation of 5520.28 acres of land allotted prior to 2010 for different purposes were detected during test-check of records.*

(Para 6.3)

Violation of Environmental Regulations

- *Government violated the directions of the Supreme Court and its own orders, in alienating 972.69 acres of water body in Sompeta mandal, Srikakulam district to Nagarjuna Construction Company Infrastructure Holdings Ltd (NCC) (total allotment was 1046.21 acres).*

(Para 7.1)

- *Temporary mine leases were irregularly granted in Qutbullapur Mandal, Ranga Reddy district in areas allotted for non-polluting industries.*

(Para 7.3)

Illegal encroachments

Government has been a mute spectator to encroachment of its lands. Instead of instituting a mechanism for preventing and detecting illegal encroachments and dealing with them swiftly and effectively, in a sense, it has fuelled encroachments by regularizing 14,878 of such unauthorized encroachments involving 21 lakh sq. yards of land, collecting meagre revenue of ₹ 63.71 crore.

(Para 8.1)

- *Government regularised/ alienated 25.72 acres of land in favour of M/s Aurobinda Pharma Limited, Hyderabad (APL) at ₹ 5 lakh per acre, as against ₹ 25 lakh per acre recommended by the District Collector, despite the fact that 20.48 acres (out of 25.72 acres) was already under encroachment by APL.*

(Para 8.2)

- *Government paid ex-gratia of ₹ 8.25 crore to encroachers for vacating 103.21 acres of Government land illegally held by them in Saroornagar mandal in Ranga Reddy district, for handing over the land to APIIC.*

(Para 8.2)

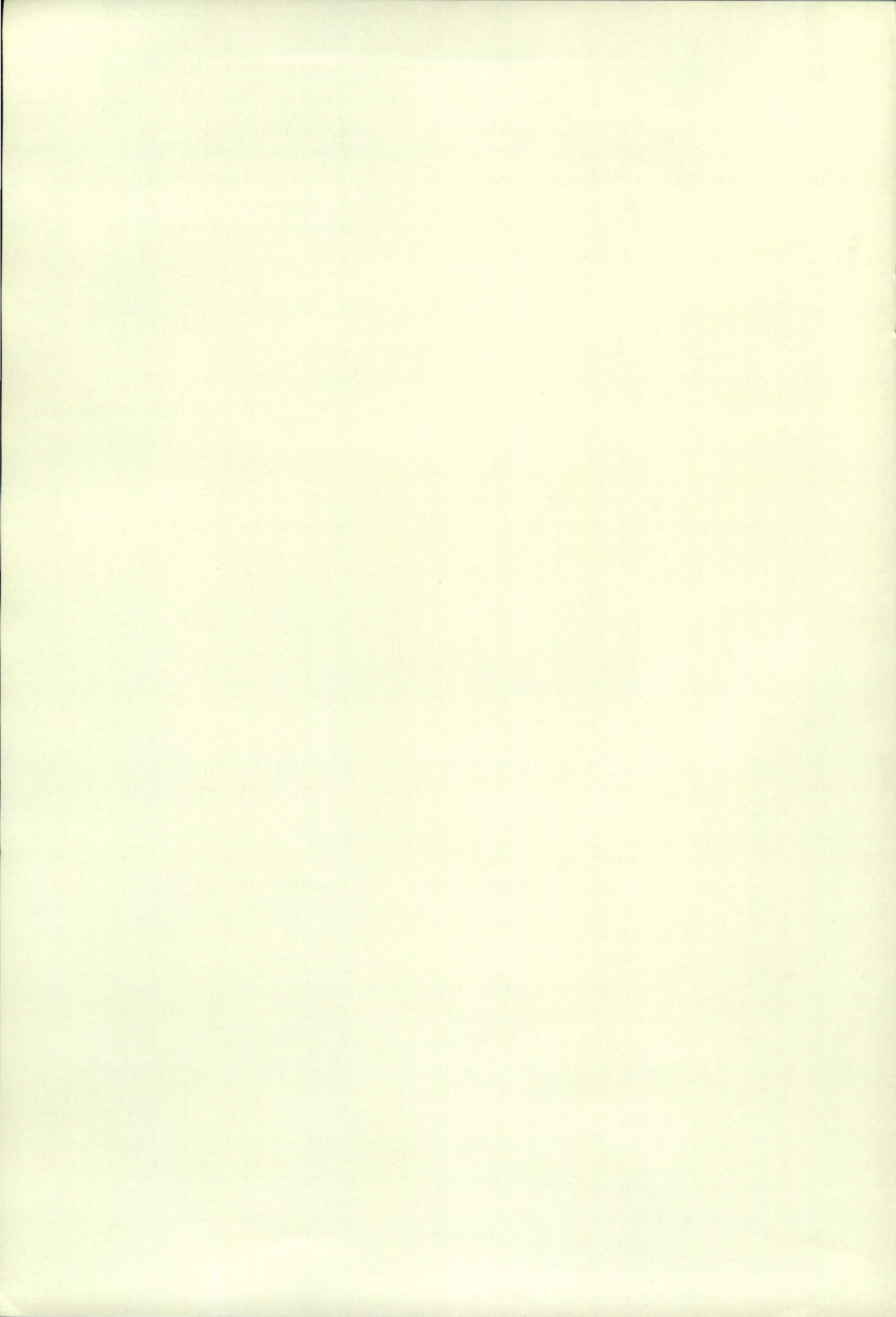
- *While on one hand, the Government allowed a concessional rate to Institute of Management Technology, Ghaziabad by alienating 30 acres of land valued at ₹ 15 crore for ₹ 45 lakh, on the other hand, it ordered payment of ₹ 26.43 lakh to encroachers for resuming its own land for the purpose of alienation.*

(Para 8.4)

Recommendations

- *Government should have a well defined and transparent land use policy which clearly stipulates the sector-wise priorities for allotment of land for the present as well as future needs in the State. This policy should be formulated earliest so that further allotments can be made as per the new policy.*
- *The policy should not permit any discretion. In all the cases which have been highlighted by Audit in the present report, it was found that discretion has been used in favour of the beneficiary and invariably against the revenue interests of the State. Assignment/allotment of land should be only at the prevailing market value.*
- *Even if land is allotted for non-commercial purposes, such as educational and hospital, if the beneficiary institutions are charging fee at par with private hospitals or schools, the benefit of concessional rate for the land should not be permitted. Since commercial fees would be charged by the educational institution or the hospital from the clients, they should also be given land at the prevailing market rates.*
- *Allotment of land for personal use of widows of Jawans and other Government officials killed in the course of duty should also be done through the well defined policy with no discretion being permitted to any authority.*
- *All Government land allotments must carry a clear time limit within which the purpose for which the land was allotted should be completed. Failure to construct and make the facility operational, for which the land was allotted, should automatically lead to cancellation of that allotment. In case the facility is incomplete and cancellation is not feasible, a heavy penalty should be levied with no discretion to review.*

- *Encroachment of Government land has been noticed to be rampant. It should be the responsibility of the Tahsildar or any other authority designated for this specific purpose to identify and take action for removal of such encroachment. Accountability for non-identification of such encroachment should be fixed. There should be no discretion with Government for post-facto regularization of encroachment especially for larger plots of land.*



Chapter 1 - Overview

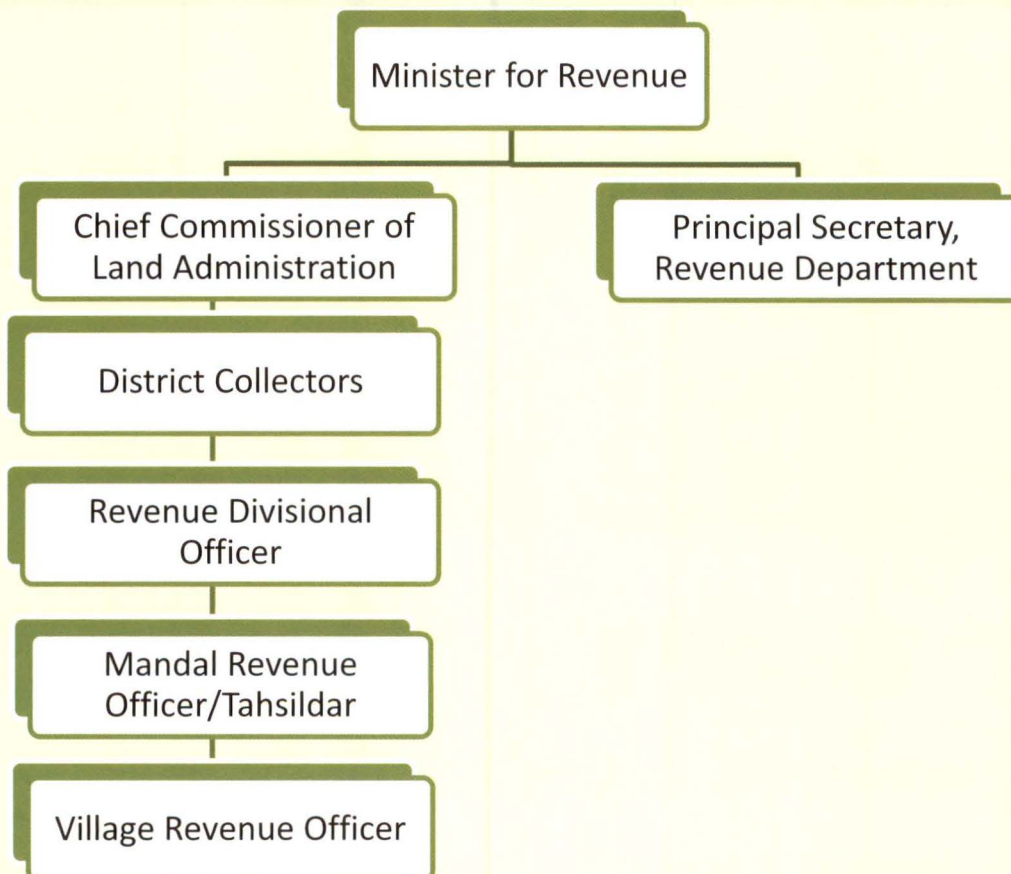
1.1 Introduction

The Land Acquisition Act, 1894 (Central Act) as amended in 1984, empowers the Government to acquire land for public purposes such as construction of roads, bridges, irrigation projects, houses for poor, development of industries in public as well as private sectors, public utilities, etc. Standing orders of the erstwhile Board of Revenue (BSO) and the Andhra Pradesh (Telangana Area) Alienation of State lands and Land Revenue Rules, 1975 authorise the State Government to alienate Government land for bonafide public purposes to a person, institution or a local body.

1.2 Organizational structure

Principal Secretary, Revenue Department is responsible for overall management of the matters relating to land and is vested with the power for alienation, and the Chief Commissioner of Land Administration (CCLA) is responsible for land administration. The latter is assisted by Collectors at district level and Revenue Divisional Officers (RDO), who are the Land Acquisition Officers (LAO) at the divisional level.

Organogram of land management is given below.



Chapter 2 - Audit Framework

2.1 Audit objectives

The Comptroller and Auditor General of India has been pointing out, in his Audit Reports, year after year, several irregularities relating to allotment of land by the Government of Andhra Pradesh. Some of the major findings reported through the CAG's Audit Reports include the following:

- Irregularities in transfer of land and utility thereof (Para 3.16 of Audit Report 1997-98)
- Undue benefit to a company in allotment of land (Para 2.2.2 of Audit Report 2008-09)
- Alienation of Government lands (Para 3.4.13 of Audit Report 2009-10)
- Power project not set-up even after 10 years (Para 3.4.14 of Audit Report 2009-10)

The State Government, however, is yet to take corrective measures in this regard and come up with a comprehensive policy relating to alienation/allotment of land. Hence, we have conducted a performance audit of land allotment/alienation process of the State Government to assess whether:

- The land allotment process was transparent, uniformly applied, and was in public interest;
- The conditions governing the allotment of land were fulfilled;
- Appropriate value was realised as per the policy, rules and regulations, while allotting land; and
- Adequate internal controls and monitoring mechanism were in place to safeguard the best interests of the Government.

2.2 Scope and methodology of Audit

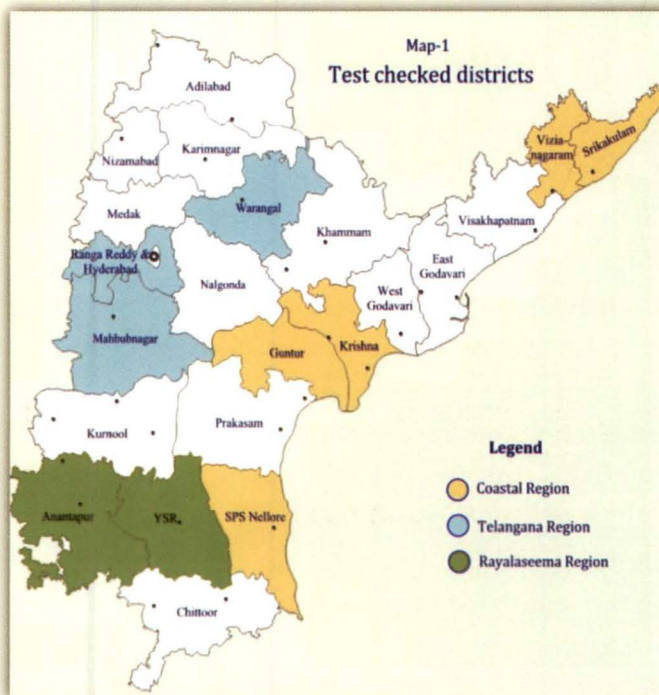
Audit was carried out between March-December 2011 and covered the land alienation related transactions of the Government during 2006-11.

Before commencement of audit, an entry conference was held with the Secretary to CCLA in February 2011 to apprise the audited entity about the objectives, scope, criteria and methodology of audit and obtain their inputs.

Audit methodology involved scrutiny of land alienation cases at the Secretariat, office of CCLA and field units involving Collectorate in 11 out of 23 districts chosen on

sample basis from each of the three regions of the State, including the capital district of Hyderabad. The sampled districts are highlighted in Map-1.

In addition to Anantapur, Guntur, Hyderabad, Krishna, Mahabubnagar, Ranga Reddy, Sri Potti Sriramulu Nellore, Srikakulam, Vizianagaram, Warangal and YSR District Collectorate, offices of RDOs in Prakasam and Karimnagar were also checked. Further, audit findings from various inspections carried out during the review period in 12 other districts on a test-check basis have also been incorporated, as appropriate, in this report.



Audit findings were discussed with the Special Chief Secretary & CCLA and Principal Secretary, Revenue in an exit conference in February 2012 and their responses and written replies, which mostly confirmed the facts mentioned in this Report, have been incorporated at appropriate places.

2.3 Audit criteria

Audit findings were benchmarked against the criteria sourced from the following:

- Land Acquisition Act 1894;
- Board of Revenue Standing Orders;
- Notifications and orders issued by the State Government from time to time.

2.4 Acknowledgement

We acknowledge the cooperation and assistance rendered by the officials of the Revenue Department, Special Chief Secretary & CCLA, District Collectors, RDOs and their staff during the course of audit.

Chapter 3 - Land Records

3.1 Land use policy

Even as land is a finite resource, the State Government has not formulated any land use policy defining its sector-wise priorities in utilization of land for the present and future needs for social and development purposes like cremation/burial grounds, play grounds, leisure areas, social forestry, industries, irrigation, roads, housing, other infrastructure development, etc. Further, five year plans and annual plans of the State have not focused on issues relating to land management and land developmental activities. The consolidated data relating to the land allotted to various departments/corporations/companies/individuals and the extent of Government land lying unutilized was not available centrally either with the Revenue Department or with CCLA, although allotment details were available at the District Collectorates. In fact, the basic and primary data, which is essential for effective land administration, was neither compiled nor validated from time to time, rendering it difficult for planned management of land.

During the exit conference (February 2012), the Special Chief Secretary & CCLA accepted that the Government does not have a comprehensive database indicating the details of land available and utilized/alienated to facilitate proper planning in managing utilisation of land resources optimally. He, however, stated that a beginning has been made in this regard by Hyderabad and Ranga Reddy districts, and that the Collectors of other districts have been instructed to follow suit by the end of March 2012.

3.2 Updation of land records

For effective 'Land Administration', maintenance and updation of 'Land Records' is absolutely essential, as these provide vital information in decision making. A Revenue Village is the basic unit of land administration and the Village Revenue Officers (VROs) are the custodians of land records and Government lands at the village level.

Immediately after the lands are assigned to landless poor or alienated to a person/institution etc., necessary changes have to be effected in the land records at mandal and village levels. Until the changes are effected in the relevant revenue records, the absolute rights of the assignees to land so assigned cannot be considered to have been established. Audit scrutiny revealed that such changes were not made in the land records in several cases, resulting in alienation of assigned land twice over without resumption. Illustrative cases are given below.

- For establishment of Textile Export Park at Maheswaram village of Ranga Reddy (RR) district, APIIC requested the Government (November 2001) to allot 420 acres of land, which was not fit for cultivation. The Tahsildar, Maheswaram handed over (August 2002) advance possession of 275 acres to APIIC, pending

finalization of alienation proposals. The Government did not finalize the alienation proposals and APIIC neither used nor protected the lands till 2008. The same land had been assigned during 1967 and 1980 to 191 landless poor persons. However, as the changes had not been effected in the land records, this fact was not known while considering the request of APIIC and came to notice only when the staff of the new assignee, i.e., APIIC, were prevented by the existing assignees from entering the land during 2008.

- Government permitted the Collector, RR District to hand over surplus land to an extent of 255.35 acres (Sy. Nos. 282 to 289) in Budwel village, Rajendranagar mandal, to Tourism Department (91 acres) and HUDA¹ (164.35 acres). The latter took possession of the land in November 2007 and auctioned it off in February 2008 to M/s Unitech Limited for a consideration of ₹ 660.10 crore. The allotment of land to HUDA and Tourism Department and further auction of land allotted to HUDA had happened despite the fact that the matter had been sub-judice before the High Court since 2002. The villagers who claimed to be the original assignees of 281.16 acres of surplus land in survey No.282-289 in Budwel village had contested the transfer of land to HUDA/Tourism Department. The High Court decided the case in 2008 in favour of the original assignees.
- In YSR District, there were 120 land acquisition cases involving 2,717.95 acres pertaining to the period 2005-10, in which the respective land records have not been updated so far in the revenue offices although the transactions have already been completed and the necessary awards passed.

Thus, due to defective and incomplete land records, the Government ended up allotting to Government entities, land that had already been assigned to landless poor who had been issued proper pattas. These cases underline the problems caused by non-mutation and non-updation of land records promptly after the execution of any transaction. Though Government took up computerization of land records and completed updation to the year 2004 incurring an expenditure of ₹ 21.95 crore, the reliability of land records remains worrisome particularly since no updation of computerized records has been done since 2004.

Principal Secretary, Revenue stated that staff shortage in the department, especially at the village level, had crippled its operations on the ground level and was the main constraint in maintaining and updating the land records in a systematic manner. He expressed hope that the ongoing recruitment drive for VROs would ease the situation. It was further stated that a massive drive was being launched with effect from April 2012, for updation of land records through a web based application with digital signature of the Tahsildars and that the entire exercise would be completed within one year.

¹ Hyderabad Urban Development Authority

Chapter 4 - Alienation of Land

4.1 Introduction

4.1.1 Background

Standing Orders of the erstwhile Board of Revenue (BSO) and the Andhra Pradesh (Telangana Area) Alienation of State Lands and Land Revenue Rules, 1975 authorize the Government to alienate land for bonafide public purposes to a person, institution or local body either free of cost or on payment of full or concessional market value.

As per the Standing Orders of BSO, Government land is given to a local authority for unremunerated public purposes without any charges. However, market value has to be collected in case land is granted to local authority for remunerative public purposes and/ or to a company, private individual or institutions, for any public purpose. The BSO also empowers the Collector to transfer any extent of State Government land to any other State Government or Central Government irrespective of extent and value.

4.1.2 Powers of alienation

The competent authority to alienate Government land and the extent of powers of such authority are detailed below:

Table-1
Powers to Alienate Government Land

Competent Authority	Alienation to local bodies like Gram Panchayats, Mandal Parishads, Zilla Parishads, Municipalities and Municipal Corporations	Alienation to Companies, Private Industries, Private Associations, Corporations and Individuals
District Collector	Market value up to ₹ 5 lakh or up to 5 acres, whichever is less, where no conversion of tank bed lands are involved	For <i>Industrial use and State Corporations</i> , market value up to ₹ 2 lakh and up to 10 acres. For <i>individuals</i> , market value up to ₹ 10,000 or up to 0.25 acres, whichever is less
CCLA	Market value beyond ₹ 5 lakh or above 5 acres, whichever is less	For <i>Industrial use and State Corporations</i> , market value up to ₹ 10 lakh and up to 10 acres.
Government	All other cases	All other cases

No land can be alienated to anybody without the orders of the Government, irrespective of its value.

4.1.3 Procedure for alienation

Alienation of land is done by the Government through the issue of an alienation order in favour of an applicant. The procedure for alienating Government land is as follows:

- On receipt of application for allotment of land, it has to be processed by the local revenue authorities;

- Land has to be identified by the District Collector and notice calling for objections has to be published in the village within 15 days thereafter; objections received, if any, are to be disposed off on merit;
- Resolution of Gram Panchayat/ Municipal Council has to be obtained, if the land falls within the limits of Gram Panchayat/ Municipality;
- Recommendations of the District Collector for alienation of land are to be examined by the Empowered Committee², headed by the CCLA at the State level;
- Based on the recommendations of the Empowered Committee, the proposal has to be placed before the Council of Ministers;
- After approval of the Council of Ministers, Government orders have to be issued for alienation;
- On issue of orders by the competent authority and after handing over the possession of land on collection of land value if any, changes in the status of the land have to be incorporated in the Mandal/Village records.
- In cases of emergency, the BSO permits handing over the possession of land in advance, pending formal approval of the alienation process by the Government.
- Government has the power to resume the assigned land and re-allot it to other eligible applicants. These cases involve payment of ex-gratia by the beneficiaries to the original assignees.

4.1.4 Determination of Market Value of Land

Rules³ prescribe that alienation of land to a company/ private individual or institutions for any public purpose should be made against collection of its market value and subject to the terms and conditions prescribed in BSO.

Market value has been defined in the AP Land Acquisition Act as the price obtained by sale of adjacent lands with similar advantages. As per Section 18 of the Act, the fair market value of land to be acquired has to be ascertained with reference to the date notified for its acquisition. The market value of the land to be acquired depends on where the land is situated and its surroundings.

4.1.5 Alienation of land to APIIC for development of industries

The Andhra Pradesh Industrial Infrastructure Corporation Ltd (APIIC), a Public Sector Undertaking of the Government of Andhra Pradesh, is responsible for development of industrial infrastructure through development of industrial parks and Special Economic Zones (SEZs). As indicated in Chart-1 below, during 2006-11, 39

²CCLA (Chairman), Principal Secretaries of Revenue, Finance, Housing, Municipal Administration & Urban Development, Public Enterprises, General Administration and Industries & Commerce departments and Secretary to CCLA (Member Convener)

³Standing Orders of the erstwhile Board of Revenue (BSO) and the Andhra Pradesh (Telangana Area) Alienation of State Lands and Land Revenue Rules, 1975

per cent of all land alienated was to APIIC, which, in turn, allotted the land to various entities for industrial development.

4.2 Alienation of land during 2006-11

During the period under review, the State Government alienated 88,492 acres of land owned by it in favour of 1,027 beneficiaries for various purposes, as detailed in the chart given along side.

In the eleven sampled districts, Government reportedly alienated 50,285.90 acres of land to 459 persons/institutions/departments during the period 2006-11. District wise details of land alienated are given below.

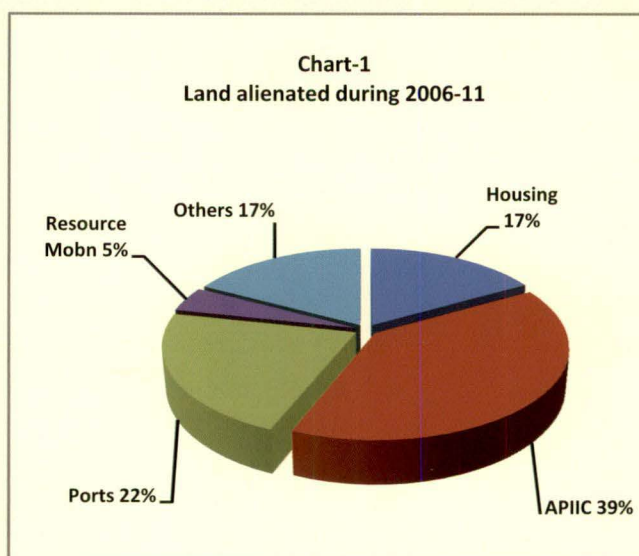


Table-2
District-wise details of land alienation

District	Land alienated (Acres)	No. of cases of alienation	No. of cases checked in Audit
Anantapur	10853.01	126	126
Guntur	5895.90	21	21
Hyderabad	116.24	32	32
Krishna	41.56	15	14
Mahabubnagar	2010.31	31	25
SPS Nellore	3002.06	15	15
Ranga Reddy	5796.80	120	104
Srikakulam	4488.89	16	16
Vizianagaram	742.34	13	13
Warangal	222.83	09	09
YSR	16388.31	53	26
Others*	727.65**	08	08
Total	50285.90	459	409

*Chittoor, Khammam, Medak, Nizamabad, Visakhapatnam & West Godavari districts.

**This refers to the total of alienation cases checked during regular local Audit Inspections. In the absence of full data, the quantum of land shown alienated in these districts includes only cases checked in audit

Note: 23 cases of land alienation (Ranga Reddy: 16, Mahabubnagar: 6, Krishna: 1) were not made available to Audit for verification.

4.3 Non-realisation of alienation cost

Government was yet to realise the cost of alienation in 60 cases in the test checked districts. The amount due to Government in this regard as of June 2011 was ₹ 2,559 crore. The details of amounts due are given below district-wise (*Appendix-A*).

Table-3
Non-realisation of Alienation Cost

District	Land alienated (Acres)	No. of cases of alienation	Amount yet to be realised (₹ in crore)
Guntur	4245.56	9	3.56
Hyderabad	73.98	18	1183.74
Mahabubnagar	23.00	3	0.37
Ranga Reddy	397.69	10	1312.23
SPS Nellore	2886.39	5	17.53
Srikakulam	3333.45	1	28.33
Visakhapatnam	337.40	3	9.89
Vizianagaram	65.15	9	3.21
Warangal	72.14	1	0.42
YSR	63.74	1	0.10
Total	11498.50	60	2559.38

The main audit findings relating to alienation of land are as follows.

4.4 Lack of uniformity and transparency in allotment

Audit scrutiny of 409 cases of land allotment during the five year period 2006-11 revealed that Government, in a large number of cases involving alienation of land substantial in area or market value or both, had overruled the suggestions/recommendations of established levels of official hierarchy in deciding on the cost at which land was to be alienated. Audit scrutiny revealed that in the test checked cases (*Appendix-B*), undue benefit of ₹ 1,784 crore had been given to the allottees owing to the difference between the prevailing market value, as assessed by the District Collector/Empowered Committee, and the rates at which land was alienated by the Government. The market value reckoned for this purpose itself was essentially the cost at which land was '**registered**' in the vicinity and was, therefore, lower than the actual market value that is empirically much higher. In the relevant records to which audit had access, no evidence was available to elucidate factors that had prompted reduction of value to be charged for the allotted lands despite clear and, mostly consistent, recommendations based on established principles of valuation from administrative echelons below. Use of discretion at the scale as was evidenced in these cases was striking since **there was no clear policy framework, within which these allotments were made without meeting the standards of transparency and accountability and justifying specific cases of deviation.**

Audit scrutiny, especially in Anantapur, Ranga Reddy and YSR districts, revealed that land was allotted to several private entities in an arbitrary manner through the medium

of APIIC, and huge concessions were provided, to the detriment of financial interests of the State while the envisaged benefits in terms of industrialization and employment had not accrued. Many of these entities had not fulfilled the conditions of the MOUs/MOAs within the specified period. APIIC did not monitor the activities of these entities closely and despite their non-adherence to the stipulated conditions of allotment, Government had not initiated any action to cancel the allotments and resume the land.

Some of the important cases which came to notice during audit scrutiny are discussed below.

4.5 Allotment to Brahmani Industries Ltd (BIL)

4.5.1 Allotment for setting up of Commercial Airport

In March 2008, Government allotted 3115.64 acres of land in Ambavaram Village of Jammalamadugu Mandal in YSR District to M/s Brahmani Industries Limited (BIL) for setting up a Commercial Airport and a Flying Academy on payment of the market value of ₹ 25,000 per acre. The Airport, which was intended for captive use of the company's Mega Green Field Integrated Steel Plant, was also to be used for commercial operations. *As brought out in the next paragraph, Government had already made (June 2007) another allotment of land admeasuring 10,760.66 acres to the same entity for construction of an integrated steel plant at ₹ 18,000 per acre.*

Our observations with regard to alienation of land for airport are as follows:

- Land was allotted to the developer for setting up a commercial airport, although, as per the existing policy of Government of India (GoI), setting up of commercial airport under private management was not allowed.
- Suitability of the site for setting up of airport was not ensured as geo-obstacle and geo-contour studies were not conducted for orientation of runway.
- Government allotted the land after resuming the same from ST category cultivators to whom it was originally assigned, even as an appeal by an individual claiming ownership of the land was pending before the District Judge, Kadapa.
- The detailed project report justifying allotment of land, duly vetted by an independent party, preferably by a certified Government Agency, was not on record.
- Due diligence report on the competence of the developer comprising of financial feasibility and technical feasibility was also not on record.
- Environmental clearance from the competent authority for implementation of the project was not obtained.
- Nothing was on record to indicate that justification of an airport at Jammalamadugu was examined factoring in the fact that an airport already existed just 50 kms away at Kadapa.

- Although the land required for the proposed airport was only around 2,500 acres (as observed by Principal Secretary to Government, Industries and Infrastructure Department), the extent of land alienated to BIL was 3,115.64 acres. Thus, an excess allotment of 615.64 acres was made in the case.

The decision to alienate land to M/s Brahmani Industries Ltd. as above was taken by the Council of Ministers, even though all the above facts were brought to its notice by the CCLA, who had also cautioned the Government against the viability of setting up a second airport in the same area.

Alienation of Government land to BIL was thus injudicious and in violation of all the established rules and good practices. It clearly amounted to an undue favour to the company without any justification. This case also exemplified a pattern of arbitrariness in land allotments, which was also evident in several other cases brought out in the succeeding paragraphs.

4.5.2 Allotment for establishment of Greenfield Integrated Steel Plant

Government of Andhra Pradesh, in June 2007, alienated its land to the extent of 10,760.66 acres at Vemuguntapalli village and nearby villages in Jammalamadugu mandal, YSR District in favour of M/s. Brahmani Industries Limited (BIL) to enable it to establish a “Greenfield Integrated Steel Plant”.



Greenfield Integrated Steel Plant
Position as on 20.12.2011

Physical possession of the land was given to the company in the next two months i.e., August 2007. As per the MOU entered into between BIL and Government of Andhra Pradesh, the total land to be alienated in favour of BIL was approximately 8,000 acres. The District Collector, YSR District had recommended alienation of a larger area of 10760.66 acres considering a request to that effect by BIL.

As recommended by the District Collector, land including 2,760.66 acres in excess of the area mentioned in the MOU was allotted by the Government. As per the MOU, the Company had to complete the first phase of construction by the end of February 2009 by making an investment of ₹ 4,500 crore to establish a capacity of 2 million tons and the second phase by the end of December 2011 by investing ₹ 7,500 crore to upgrade the capacity to 4 million tons. However, as of November 2011, even the first phase of construction had not been completed.

Government orders issued from time to time and orders of the Supreme Court⁴ prohibit alienation of water bodies (such as Canals, Kuntas⁵, Lakes, etc.). In this specific case, however, the Revenue department recommended and Government

⁴ SLP No. 13695/2000

⁵ Refers to a wet area

permitted alienation of 674.58 acres that comprised of water bodies. As per agreement with the company, Government has to provide from 'Gandikota Reservoir', 2 TMC of water which is essentially earmarked for drinking and irrigation purposes, even though as per the practice in vogue, the company was required to meet its water requirements through its own arrangements.

Further, before alienation of land in favour of any entity, the District Collector is required to examine the Project Report on land requirement, status of availability of raw material, transportation, financial feasibility, technical experience, etc. But no such exercise was undertaken in this case. Despite five years having elapsed since the allotment of land to BIL, the proposed steel plant has not been set up, as can be seen from the photograph given above.

Though, this project involved alienation of very large tract of land (10,760.66 acres) that included water bodies over significant area, the company had not obtained/ produced any clearance from Ministry of Environment, Government of India, even though that was a prerequisite for establishment of a steel plant. Clearly, in alienating land to BIL, the Government has disregarded all the rules/regulations and extended undue benefit to the Company.

4.6 Allotment to Obulapuram Mining Company (OMC)

Obulapuram Mining Company (OMC), after unauthorisedly occupying Government lands assigned to landless poor (*by laying railway track, lorry parking, dumping station, roads, etc.*) requested the Joint Collector, Anantapur for lease of 413.81 acres of land in its favour. The land was to be used as a stock yard. The request was turned down (August 2008) and the Collector restored 290.96 acres of land, that was illegally occupied by OMC, to the original assignees. However, at the request of APIIC in September 2008, the Collector reversed his earlier decision and recommended to CCLA alienation of 304.66 acres of land to APIIC for setting up an industrial park, which was essentially meant for onward transfer to OMC. The reasons for reconsidering the lease or alienating the land were not recorded. Pending acceptance of this proposal by the Government, the Joint Collector instructed (February 2009) the RDO to disburse ₹ 3.63 crore being the cost of the land, to the original assignees. When the Government rejected (November 2009) the alienation proposal, OMC approached the High Court of Andhra Pradesh and obtained (December 2009) interim orders to maintain *status quo*.

APIIC's proposal to alienate land to OMC when the district administration had already rejected the earlier request, amounted to undue favour to OMC. Further, disregarding laid down procedures for the benefit of a private company, despite it having occupied Government land illegally, had seriously compromised the rule of law.

4.7 Allotment to Bellary Iron Ore Pvt. Ltd

After unauthorisedly occupying 20.06 acres of Government land in Obulapuram village of Anantapur district, M/s.Bellary Iron Ore Pvt Ltd approached APIIC in September 2008 for alienation of a further area of 50.69 acres of Government land DKT⁶ in its favour. Instead of taking action to evict the unauthorized occupation and protect the land, the District Collector, on an application by APIIC, forwarded (January 2009) to Government a proposal for alienation of 20.06 acres of Government land and also accepted an amount of ₹ 63.36 lakh (in respect of DKT land) from the company even before obtaining approval of the Government. The Collector also went ahead with the disbursement of ex-gratia to the assignees for the resumed land (50.69 acres), in anticipation of Government approval, thereby making Government liable to compulsorily accept the proposals made by APIIC on behalf of the company. Government has not accepted the proposal as of November, 2011.

The action of the Collector in alienating land to a company, which had illegally occupied it, and paying ex-gratia to the existing assignees for the resumed lands without waiting for Government approval had established a bad standard of governance with potential to corrupt and vitiate administrative culture down the line.

4.8 Allotment to Lepakshi Knowledge Hub Pvt. Ltd.

Government of Andhra Pradesh entered in to an MOA with Lepakshi Knowledge Hub Pvt Ltd (LKH) in December 2008 for establishment of an Integrated Global Knowledge Hub/ Multi-Product Special Economic Zone in Gorantla and Chilamattur mandals of Anantapur district. The project envisaged generation of employment upto 1.5 lakh persons directly and other indirect employment opportunities in a phased manner. As per the terms of the MOA, LKH and its subsidiaries/ associates and other units to be set up in this project were to invest approximately ₹ 8,000 – ₹ 10,000 crore in phases over a span of 5 to 10 years.

As per the orders of the Government, APIIC handed over (April - October 2009) 8,844.01 acres of land to LKH in various villages of these mandals. Although APIIC rules stipulate execution of Sale Deed on implementation of the project, APIIC registered the Sale Deed in favour of LKH at the time of handing over the land itself. Based on the request of LKH in August 2009, APIIC issued to it an NOC in the next month allowing it to mortgage its title deeds for the allotted lands with banks/financial institutions/NBFCs, etc. for obtaining loans by itself or by its SPVs, subsidiaries, group of companies, JVs and other associated companies of LKH. Based on a similar request by LKH in May 2010, APIIC issued it another NOC to enable it to obtain loans from IDBI Bank for its Associates/Group Companies.

LKH, thus, mortgaged 4397 acres of land allotted to it for the project and facilitated its subsidiary company **M/s.Indu Projects Ltd. (IPL)** in raising a loan of ₹ 790 crore

⁶ Darakastu

in June 2010. From out of this amount, IPL had not spent any amount on the project relating to Integrated Global Knowledge Hub, but utilized ₹ 562 crore on its own ventures. Similarly, 1802.25 acres of land were mortgaged by LKH with various other banks/entities like SBH, Central Bank of India, L&T Infra, Canara Bank etc. As of November 2011, LKH has not established any industry in the 8844.01 acres of land allotted to it by the Government in December 2008, nor has it created any employment in the area.

Though the market value of land allotted to LKH ranged between ₹ 1.5 lakh to ₹ 12 lakh per acre, Government alienated it to LKH at ₹ 50,000 per acre in respect of Government land and ₹ 1.75 lakh per acre in respect of patta lands. There was no evidence on record to establish that correct market rates were adopted in allotment of various patta lands. Even if it is assumed that price fixed for such lands was reasonable, Government had charged an amount of ₹ 37.91 crore⁷ less in respect of 3,032.83 acres of Government land allotted to LKH. The following irregularities were observed in this regard.

- *3,032.83 acres of land was allotted to LKH below the market rate recommended by the district authorities, resulting in undue favour to LKH to the extent of ₹ 37.91 crore.*
- *Sale Deed was executed in favour of LKH at the time of handing over the land itself, in violation of the APIIC 'Industrial Areas Allotment Regulations', which required the Sale Deed to be executed after the implementation of the project.*
- *NOC was issued to LKH permitting it to mortgage Government land to secure loans for its Associates/Subsidiaries, which was used by LKH to obtain a loan of ₹ 790 crore for IPL, which was diverted for other purposes instead of developing the project.*
- *In case of default of loan by LKH/IPL, the concerned banks would claim the land mortgaged with them and APIIC would not be able to claim it back.*
- *Instead of investing the envisaged ₹ 8000-10000 crore in the project, LKH benefited from the land allotment by obtaining finance through mortgage on the land.*
- *LKH had not fulfilled its obligation with regard to development of the area allotted to it and had also not generated any employment out of 1.5 lakh jobs agreed to in the MOA. However APIIC had not initiated any action against LKH as of November 2011.*

Special Chief Secretary & CCLA confirmed the audit findings and stated that there were no specific guidelines on the extent of land to be allotted and that APIIC had no role in deciding the land cost and only followed the orders of Government. It was further stated that the sale deed was executed by APIIC to enable the industrialists to raise finances for setting up the industry. CCLA also stated that APIIC had changed the allotment guidelines recently and has been scrutinizing all the applications at the time of allotment with respect to their requirement of land and financial capability.

⁷ (₹ 1.75 lakh - ₹ 0.50 lakh) X 3032.83 acres

4.9 Allotment of land for ICT

Government of Andhra Pradesh formulated the Information and Communication Technology (ICT) Policy in 1999 followed by another one in 2002 covering the period 2002-05 to attract IT related investments into the State and transform the State into a knowledge society. The policy was further revised in March 2005 to cover the period 2005-10 (*relevant to the period covered in this audit report*) and had, *inter-alia*, the following salient features, with regard to development of infrastructure.

- All allotments of land to IT industry to be made through APIIC, which would be the nodal agency for obtaining all the requisite clearances from the State Government;
- IT/ITeS units/companies establishing their own facilities on clear Government land to be eligible for a rebate in the cost of land at ₹ 20,000 per job created;
- Reimbursement of 100 *per cent* stamp duty, transfer duty and registration fee paid by the IT/telecom companies, except where incentive rebate on land was given as mentioned above;
- Usage of 60 *per cent* of the net developable/usable area for construction of IT office space, so as to incentivize development of IT related infrastructure and generation of employment, subject to the condition that the space created was sold/leased/rented only to IT/ITeS units. The balance 40 *per cent* area was to be developed for housing/recreation/club house/shopping centres/schools and for facilitating other support activities.

Government, in February 2009, accorded sanction for alienation of 881.32 acres in (Sy.No.99/1) Mamidipally Village in Ranga Reddy district in favour of APIIC for development of IT industry. The basic value of the land was ₹ 50 lakh per acre and the market value was ₹ one crore. However, Government alienated this land to APIIC on no cost basis stating that the latter had already paid an amount of ₹ 7.29 crore to Animal Husbandry Department, which possessed the land. Since the land was ultimately meant to be allotted by APIIC to IT units which are commercial ventures, transfer of land to APIIC at a gross value of ₹ 7.29 crore caused a revenue loss of ₹ 874.03 crore⁸ to the Government.

Out of the allotted land (881.32 acres), APIIC, in July 2006, irregularly allotted 500 acres to M/s. Indu Tech Zone Pvt Ltd (250 acres) and M/s. Brahmani Infratech Pvt Ltd (250 acres) at ₹ 20 lakh per acre, which was **more than two and a half years before the receipt of the alienation order from the Government**. Details of this irregularity are given below.

4.9.1 Allotment to Brahmani Infratech Pvt Ltd

Government entered into an MOU with Brahmani Infratech Pvt Ltd (BIPL) in May 2006 for setting up an IT/ITeS SEZ and allotted 250 acres for the purpose in Raviryal

⁸ ₹ one crore x 881.32 acres - ₹ 7.29 crore

and Mamidipalli villages of Ranga Reddy District in July 2006 at ₹ 20 lakh per acre. BIPL was an SPV floated by Navabharat Ferro Alloys Ltd and Zelan Constructions SdnBhd of Malaysia, quoting the experience of Zelan Constructions in executing such projects in Malaysia.

In terms of the MOU, BIPL was to develop and construct a minimum area of 4.5 million sft of IT/ITeS space in the allotted land over a period of five years from the date of commencement of construction. Two million sft were to be constructed within three years and the balance 2.5 million sft in the following two years. Also, out of the 250 acres, BIPL was to develop IT/ITeS SEZ and processing area for IT in 150 acres and other amenities like housing in the balance 100 acres. BIPL was also required as per the MOU, to generate employment for not less than 45,000 persons during the duration of the project, with 20,000 jobs in the first three years followed by 25,000 jobs in the remaining two years.

In the case of non-fulfillment of any of the terms/conditions and obligations by BIPL, Government was entitled to take back the undeveloped land.

In January 2008, BIPL requested the Government to permit it to replace Zelan Constructions with Mantri Developer Pvt Ltd, which was accepted by the Government.

As of June 2011, despite the end of the five year project period stipulated in the MOU, BIPL had not carried out any of the developmental works stipulated in the MOU. Consequently, no office space has been setup nor any employment generated.

4.9.2 Indu Tech Zone Pvt Ltd

To set up an IT Park Government entered into an MOU with Indu Tech Zone Pvt Ltd (ITPL) for allotment of 250 acres of land in Mamidipalli village of Ranga Reddy district at ₹ 20 lakh per acre. Out of the 250 acres, an extent of 150 acres was notified in April 2007 under specific IT/ITeS SEZ to facilitate formation of SEZ. The Government permitted ITPL to develop other amenities and support services through its Associate company SPR Properties Pvt Ltd over an area of 100 acres. Government also allotted 5.975 acres in Nanakramguda to M/s Mack Solutions Inc, a partnership firm of ITPL.

As per the MOU conditions, ITPL was to develop and construct a minimum area of 4.5 million sft of IT/ITeS space in the project over a period of five years from the date of commencement of construction, with 2 million sft within three years and the balance 2.5 million sft in the following two years. Also, out of the 250 acres, ITPL was to develop IT/ITeS SEZ and processing area for IT in 150 acres and other amenities like housing in the balance 100 acres. As per the MOU, ITPL was also required to generate employment for not less than 45,000 persons during the duration of the project, with 20,000 jobs to be created in the first three years followed by 25,000 in the remaining two years.

ITPL informed the Government in September/ December 2007 that the development of SEZ would entail an investment of at least ₹ 700 crore in Phase – I, a part of which would be financed by Financial Institutions. ITPL also proposed to obtain a part of the required funds through investment by a foreign investor in the equity capital of the company and identified **M/s Sun Apollo India Real Estate Fund LLC, Mauritius** for such foreign investment. Government approved the proposal of ITPL to this effect.

Two years later (May 2009), Government issued the NOC to ITPL enabling it to mortgage the land and obtain a loan of ₹ 120 crore from UCO bank.

As of June 2011, despite five years of the project period as stipulated in the MOU having lapsed, ITPL had not completed the project nor generated the envisaged employment.

4.9.3 Allotment to Stargaze Properties Pvt Ltd.

Government, in July 2006, entered in to an MOU with Stargaze Properties Pvt Ltd (SPPL) for allotment of 250 acres of land in Raviryal village of Ranga Reddy district at ₹ 20 lakh per acre to enable it to set up an IT Park. Out of the 250 acres, an area of 170.40 acres was notified under specific IT/ITeS SEZ to facilitate formation of SEZ, and SPPL was permitted to develop through its Associate company Aesthetic Realtor Pvt Ltd, other amenities and support services in 62.50 acres.

As per the MOU conditions, SPPL was to develop and construct a minimum area of 4.5 million sft of IT/ITeS space over a period of five years from the date of commencement of construction, with 2 million sft within the first three years and the balance 2.5 million sft in the following two years. SPPL was also required to generate employment for not less than 45,000 persons during the duration of the project, with 20,000 jobs in the first three years and 25,000 in the remaining two years.

APIIC in December 2008, by issuing an NOC, acceded to SPPL's request that would enable it to mortgage the land and obtain a loan of ₹ 100 crore from HDFC bank.

Despite five years of the project period as stipulated in the MOU having elapsed, as of June 2011, SPPL had not carried out any of the developmental works stipulated in the MOU. Thus it has neither created any office space nor generated any employment.

4.9.4 Allotment to Raheja Corporation Private Limited

The State Government, in June 2002, entered into an MOU with M/s K. Raheja Corporation Private Limited, Mumbai for development of Mindspace Cyberabad Project to provide appropriate infrastructure over an area of 110 acres (Survey No. 64) of Madhapur village, Serilingampally mandal of Ranga Reddy District for facilitating setting up of IT companies in the district. This was followed by a Memorandum of Agreement (MoA) in May 2003 between APIIC and M/s K. Raheja Corporation Pvt Limited in terms of which a Joint Venture (JV) by the name K. Raheja IT Park (Hyderabad) Private Limited (KRITPL) was incorporated in June 2003. The authorized capital of the JV was ₹ one crore and its shares were held by APIIC and KRITPL in the ratio of 11:89 respectively. The main features of MoA are as follows:

- After an initial lock-in period of 5 years from the date of incorporation of the JV, APIIC could divest/dilute its share holding.
- The cost of land was fixed at ₹ 50 lakh per acre, but was not to be paid by KRITPL until the expiry of seven years, during which, the land was to be developed by it.
- On completion of the development of land, built up area and undivided interest in the land would be transferred to the final owners jointly by APIIC and KRITPL. Similarly, with regard to plotted development also, the plots were to be transferred to the final owners by APIIC and KRITPL jointly.

APIIC, in December 2003, however, entered into a Development Agreement (DA) with KRITPL empowering KRITPL to sell/transfer/lease/license to any of its nominees. Pursuant to the DA, KRITPL, during 2004-05 allotted and registered the entire land in favour its own companies without keeping APIIC in the loop.

Our scrutiny of the case indicated that the Government entrusted the development project to M/s KRITPL on nomination basis, on the suggestion of M/s Mc Kinsey Company engaged by the Government as a consultant for identifying leading infrastructure developers who could be invited to develop infrastructure suitable for attracting IT and ITeS companies to Ranga Reddy district. We noted that no wide publicity had been given by the Government to its intent of partnering with big infrastructure developers. This precluded emergence of a suitable partner through a competitive process, and an optimally beneficial set of terms and conditions at which the Government could have entered the partnership. The dissonance between MoA and the DA coupled with absence of close monitoring of the project by APIIC had resulted in a situation where by 110 acres of prime land in Ranga Reddy district was allowed to pass into the hands of a private developer without achieving the objectives of developing of infrastructure of IT and ITeS companies and allowing the later to use the land to further its own business interests. APIIC by entering into an arrangement which enabled M/s KRITPL to sell/mortgage Government land apart from exposing Government to financial risk, had clearly failed to safeguard Government interests.

Special Chief Secretary & CCLA confirmed the audit findings and stated that notices had been issued to the developer and that the matter was referred to the Government for necessary orders.

The intended purpose of developing IT infrastructure and generating employment was thus defeated, and the developers utilised the Government land for furthering their real estate business, which is irregular. APIIC did not safeguard Government interests in permitting these private firms to mortgage/sell Government land and implicate Government in their financial dealings.

4.10 Allotment to VANPIC

Government of Andhra Pradesh, on 11th March 2008, signed an MOU with the Government of Ras-al-Khaimah (RAK), to develop an Integrated Vodarevu & Nizampatnam Port & port based industries, including cargo and container terminals and an industrial corridor (VANPIC), in Prakasam and Guntur districts.

In the MOU, RAK committed itself to implement the project with respect to technical, financial and commercial aspects on the strength of its own as well as its multi-country, multi-functional collaborators and partners that included its Indian partner M/s Matrix Enport Holdings Private Limited.

While RAK had represented that it possessed all the necessary technical skills and capacity to invest the requisite funds for timely completion of the project, actual implementation of the project was to be carried out by a Special Purpose Vehicle (SPV) in India consisting of RAK, its Indian partner and any one or more agencies specialised in the respective areas for which the SPV was to be constituted. However, RAK was to have liberty to bring, during the preliminary stage or at any stage of the project, more strategic partners from any other part of the world subject to Government of India's policies laid down from time to time. From the records accessed by Audit, there was, however, no evidence to suggest that before entering into the MOU, which was signed on behalf of the Government of Andhra Pradesh by its Special Secretary KV Brahmananda Reddy, political clearance had been obtained from Government of India, Ministry of External Affairs.

The MOU was followed through with a Concession Agreement (CA) signed on 11th July 2008 between the State Government and VANPIC, the SPV set up as per the MOU. M/s Matrix Enport Holdings Private Limited, selected by RAK as its Indian partner, was to implement the VANPIC project. Some of the key but extraordinary terms of the CA were as follows.

- Government to provide 2,000 acres of land each at Vodarevu and Nizampatnam ports, free from all encumbrances to VANPIC on lease basis, subject to annual lease rental at the rate of 2% of fair market value of the land, to be escalated during the concession period.
- If found necessary, Government to make available more land as may be required by the Concessionaire for future development plans of the project on an annual lease rental of 2% of fair market value. **All lands transferred under the State support for VANPIC were to vest absolutely with the Concessionaire or any persons specified by it.**
- The Concessionaire to pay to the Government 2.1% of its gross income during the initial 33 years of operation, provided it earns **net profit**.
- Any property transferred to the Concessionaire (or any persons specified by it) for the port/ port based industries of VANPIC project **could be assigned, leased, licensed, mortgaged or otherwise dealt with by the Concessionaire** (or persons

specified by it) to any other person without any restriction, in such manner and on such terms as the Concessionaire (or person specified by it) may deem fit. The Concessionaire could also **enter into any lease, sub-lease, license or other arrangement** in relation to any of the lands leased to it for the purpose of establishing port/port based industries, on such terms as the Concessionaire deemed fit.

The above terms and conditions were heavily loaded in favour of the Concessionaire and left the Government little leeway in safeguarding public assets.

Government had initially (July 2008) committed to alienate 28,000 acres of land (including its own land/ assigned land/patta land) on lease basis to VANPIC. In pursuance of this commitment, Government in February 2009, permitted the Collectors of Guntur and Prakasam districts to alienate 18,878⁹ acres, revised to 18,001 acres as indicated below. Out of this, 6,609¹⁰ acres were handed over to the Concessionaire between February – August 2009.

We observed that though the CCLA had endorsed the prevailing market value of ₹ 2 lakh per acre as was recommended by the respective Collectors, the Government ordered alienation of land to VANPIC at values ranging from ₹ 0.82 lakh to ₹ 1.17 lakh per acre. This resulted in undue favour to VANPIC to the extent of ₹ 71.43 crore. As of September 2011, VANPIC was yet to pay ₹ 11.66 crore for the land alienated to it.

Table-4
Alienation of land to VANPIC

Land type	District	Revised land extent (in acres)
Assigned	Guntur	2,804
	Prakasam	11,389
Government	Guntur	112
	Prakasam	438
Patta	Guntur	-
	Prakasam	3,258

District Collectors, Guntur and Prakasam confirmed in September 2011 that VANPIC Ports Project Private Limited had not taken up any work in the lands alienated in its favour and that the Government would be addressed for implementing the conditions of alienation under BSO 24 so as to resume the lands from VANPIC owing to its non-utilisation within one year from the date of alienation.

The entire process of agreement with VANPIC and alienation of land in its favour lacked legitimacy and transparency. Besides, as the terms of agreement were loaded heavily in favour of the Concessionaire, it had serious financial and legal implications for the State. Moreover, the Government had no elbow room to amend any of the provisions of the agreement without the consent of the Concessionaire.

⁹ in Guntur district: 5,675 acres; in Prakasam district: 13,203 acres

¹⁰ in Guntur district: 1616 acres; in Prakasam district: 4993 acres

4.11 Allotment to Georgia Institute of Technology

Based on a proposal from the then Chief Minister, Government of Andhra Pradesh allotted 250 acres of land in (Sy. No. 288) Mucherala village, Kandudur mandal, Ranga Reddy district to Georgia Institute of Technology (GIT), USA for establishment of their campus. **Although the Empowered Committee recommended allotment of only 50 acres to GIT at the prevailing market rate of ₹ 18 lakh per acre, the State Government allotted 250 acres to GIT at ₹ 1.50 lakh per acre by overruling the Empowered Committee, thereby giving an undue benefit of ₹ 41.25 crore to the Institute.**

GIT had not paid ₹ 3.75 crore being the cost of the land nor has it utilized the land for the envisaged purpose as of November 2011. In fact, the District Collector, Ranga Reddy did not even have the address of GIT to pursue the matter relating to payment of the cost of the land allotted.

The Special Chief Secretary & CCLA confirmed the audit findings.

4.12 Allotment to Emaar Properties

APIIC, acting as an agency of the Government of Andhra Pradesh, in November 2002, entered into an MOU with Emaar Properties PJSC, Dubai (Emaar) for establishing an ‘Integrated project with international standard Convention Centre, a Star hotel, Golf course and Multi-use developmental Township’ in 535 acres of land in Manikonda village, Rajendranagar mandal, Ranga Reddy district¹¹. The MOU was followed through in August 2003 with a Collaboration Agreement (CA) between the two parties, in terms of which, two Special Purpose Vehicles (SPVs) were established for the purpose of operationalising the MOU.

Table-5
SPVs for Emaar Project

SPV	Scope of work	Constituents and their equity share
SPV - I	Golf course and Multi-use project	APIIC: 26 % and Emaar: 74 %
SPV – II	Convention centre and Hotel	APIIC: 49 % and Emaar: 51 %

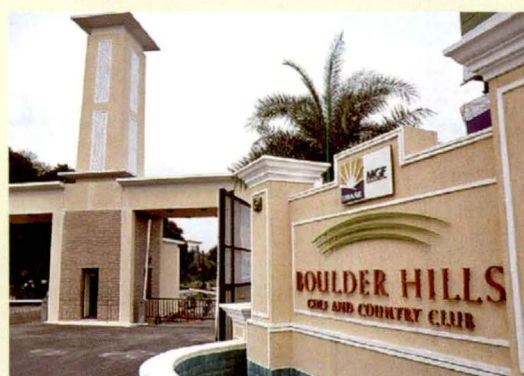
In January 2005, Government restructured the entire project by creating three instead of two SPVs, expanding its scope and re-adjusting operational areas of each SPV as indicated below.

¹¹ Further details relating to allotment of land to Emaar may be seen in Paragraph 2.1.27 of CAG’s Audit Report (Commercial), Government of Andhra Pradesh for the year 2006-07.

Table-6
Revised SPVs for Emaar Project

Name of SPV	Area of operation	Area of land allotted
Emaar Hills Township Pvt Ltd (EHTPL)	Development and sale of villas, residential accommodation and IT infrastructure	258.36 acres
Boulder Hills Leisure Pvt Ltd (BHLPL)	Golf course and Boutique hotel	235 acres (lease) & 17 acres
Cyberabad Convention Centre Pvt Ltd. (CCCPL)	Convention centre and Business hotel	15.139 acres (lease)

In all the three SPVs, the two constituents viz. APIIC and Emaar held an equity share of 26 per cent and 74 per cent respectively. The subscription of APIIC was to be reckoned against the value of Government land transferred to each of the three SPVs at a price of ₹ 29 lakh per acre. The SPVs were, however, required to pay a lease rental @ 2 per cent of the gross annual revenue for the initial 33 years and @ 3 per cent beyond that period.



In November 2006, EHTPL re-assigned the rights of development to another sister company, Emaar MGF Land Private Limited (Emaar MGF). The CMD of APIIC who was a member of the Board of Directors of the company was a party to this decision without having obtained a formal, in-principle, approval of Government/APIIC.

Under this arrangement, while all rights including control over allotted Government land had been transferred to Emaar MGF, the share of projects to which EHTPL was entitled to, was restricted to 25 per cent. This had the effect of reducing the project share of APIIC from 26 per cent to merely 6.5 per cent. Thus, disproportionate part of the profits would be retained by Emaar MGF. EHTPL also gave a corporate guarantee to Emaar MGF, in August 2008, enabling it to obtain ₹ 150 crore loan from AXIS bank by mortgaging the title deeds of 14.01 acres of land. Emaar, on behalf of EHTPL, but without intimating APIIC, also entered into an agreement with Stylish Home Private Limited, in January 2005, for selling the villas/plots in the integrated township. **This had the effect of exposing APIIC/ Government to financial risk without its consent and diluting its control over a developmental initiative in which it had invested substantive equity.**

Likewise, in November 2006, EHTPL assigned its leasehold rights to Emaar MGF, prescribing that only 5 per cent of the total revenues earned from the golf course/club

would be passed on to EHTPL and the balance 95 *per cent* to be retained by Emaar MGF. Consequently, the APIIC's share in SPV's projects was diluted from 26 *per cent* to 1.3 *per cent*.

Details of the above findings are separately reported wide paragraph 3.3 of the CAG's Audit Report (Commercial) for 2010-11.

4.13 Allotment to Gimpex Ltd.

Government issued an order in July 2008 for alienation of land to the extent of 100 acres in Korlakunta village of Obulavaripalle Mandal, YSR District in favour of M/s. Gimpex Limited, Kodur for establishment of Beneficiation Plant for barytes. Physical possession of land was handed over to the company in March 2009. We, noticed that:

- AP Mineral Development Corporation Limited (APMDC) had already permitted (March 2007) M/s. Gimpex Limited, Gimpex House, Chennai to set up the beneficiation plant in and around Mangampet village, Obulavaripalli mandal. The plant was to beneficiate low grade barytes not exceeding 2 lakh MT capacity per annum. However, the Joint Collector who had vetted the relevant project report in consultation with technical staff and General Manager, District Industries Centre, Kadapa had concluded that the project would require only 50 acres of land. The District Collector however, had proposed and obtained alienation of 100 acres of Government land in favour of the company.
- Land (100 acres) was alienated to M/s. Gimpex Limited at ₹ 0.50 lakh per acre as against the market value of ₹ 3.00 lakh per acre, resulting in undue benefit of ₹ 2.50 crore to the company.
- While arriving at the cost of the land, the department had not included the expenditure incurred for creating the Continuous Contour Trenches, that had been dug on the land under the Drought Prone Area programme.
- The department had not obtained resolution of the Gram Panchayat within whose jurisdiction the land falls, as was required under Government orders before alienation of Government land in favour of the company.

4.14 Allotment to Aurobinda Pharma Ltd.

M/s. Aurobinda Pharma Ltd., Hyderabad (APL), in 2008 requested for alienation of 25.72 acres of land in Pydibhimavaram and Chittivalasa villages of Ranasthalam (M), Srikakulam district. Out of 25.72 acres requested for, 20.48 acres were already under encroachment by APL since 2002. To discourage such encroachment and keeping in view the prevailing market value, the District Collector, in his recommendation (September 2008), pegged the alienation cost at ₹ 25 lakh per acre. Government, however, alienated (March 2010) the land at ₹ 5 lakh per acre, resulting in undue benefit of ₹ 5.14 crore to the Company. Thus, instead of penalising APL for encroaching upon Government land and resuming the same, the encroached land was

regularized/alienated at a meagre amount, which would only encourage further encroachment of Government land.

4.15 Allotment to Simhapuri Energy Pvt. Ltd. and others

APIIC, in September 2007, requisitioned 1015.42 acres of Government land for establishment of two power projects by M/s. Simhapuri Energy Pvt. Ltd. and M/s. Meenakshi Energy Pvt. Ltd. in Tamminapatnam and Momidi villages of Chillakur Mandal of SPS Nellore district. A part of the requisitioned land to an extent of 515.27 acres, which had earlier been assigned to landless poor, was, however, resumed by Government on payment of compensation of ₹ 1.25 lakh per acre to the existing assignees.

However, for alienation of the lands to APIIC, the Tahsildar recommended (October 2007) a lower market value of ₹ 0.97 lakh per acre. The District Collector recommended (February 2008) a rate of ₹ 0.60 lakh per acre to CCLA, who in turn, recommended it (December 2008) to the Government. The Government permitted alienation (February 2009) of land for a meagre sum of ₹ 0.60 lakh per acre. It is pertinent to note that, almost a year later, the District Collector and CCLA recommended (January 2009) alienation of adjoining lands in the same villages at ₹ 1.50 lakh per acre as against the prevailing market value of ₹ 4.50 lakh. Thus, due to adoption of lower market value for its lands, the Government sustained a loss of ₹ 39.60 crore.

In a similar fashion, Government in the same two villages, alienated 1847.98 acres of land adjoining to lands referred to above, at the request of APIIC again, in favour of M/s. Simhapuri Energy Pvt. Ltd. and M/s. Vikas Power Ltd. for establishment of two industrial parks. The valuation of alienated lands was brought down at Government level to ₹ 0.60 lakh per acre as against ₹ 1.50 lakh per acre recommended by Collector who had earlier assessed the value of the same land at ₹ 4.50 lakh per acre for patta lands. This resulted in revenue loss of ₹ 72.07 crore, being the difference between the assessed and the actual value charged from the allottees.

Special Chief Secretary & CCLA, in response, stated that the Empowered Committee had relied on the valuation recommended by the Collector. The reply is not acceptable because the Empowered Committee, while making its recommendation, was expected to apply its mind independently considering all the facts placed before it (in this case, the market value of patta lands in that area was ₹ 4.5 lakh per acre).

4.16 Allotment of assigned land to Apollo Hospitals

The lands resumed by Government for violation of the provisions of Assigned Land (Prohibition of Transfer) Act, are to be assigned only to other beneficiaries and cannot be alienated for any other purpose.

Government of Andhra Pradesh, in June 2011 alienated 86.49 acres situated in (Sy. Nos. 115/2c etc.) of Murakambattu Village of Chittoor district in favour of APIIC for further allotment to Apollo Hospitals for construction of a Mega Health Park. Pending

final approval of the alienation process by the Government, advance possession of the land was handed over to APIIC in March 2008. Out of the total area of land (86.49 acres) so alienated, 47.97 acres were assigned lands resumed for violation of the provisions of A.P. Assigned Land (Prohibition of Transfer) Act. Although the Law Department (March 2011) had clearly opined that in a similar case of alienation of resumed lands, the A.P. High Court had passed interim orders against regularization of the lands resumed by Government under the POT Act in any manner, the Government still approved (June 2011) alienation of 47.97 acres of resumed land valued at ₹ 1.68 crore in favour of M/s. Apollo Hospitals.

4.17 Allotment to Pearl Breweries Pvt Ltd.

Based on the request of Pearl Breweries Pvt Ltd. (PBPL), in March 2006, for alienation of 80-85 acres of Government land for setting up a mega breweries project in Medak district, Government, in November 2006, gave advance possession of 75.775 acres of land (Sy.No.294) in Katlapur village, Sangareddy mandal of Medak district to APIIC for onward transfer to PBPL. Further, as against the prevailing market rate of ₹ 20 lakh per acre recommended by the District Collector, transfer of land was permitted by Government at ₹ 1.50 lakh per acre.

We noted that, while forwarding the proposal for alienation of land to PBPL in August 2006, the CCLA had intimated the Government that the land in question was already assigned to landless poor and as per AP Assigned Land (POT) Act, such lands should be assigned only to other landless poor and could not be alienated for establishing a brewery. The CCLA had further stated that not more than 10 acres of land would be required for establishing a brewery as against 75 acres proposed to be given to PBPL. He had also recommended that, if the Government still wanted to allot the said land to PBPL for setting up a brewery, it should be done at a price higher than the normal rate, and had suggested a rate of ₹ one crore per acre for the purpose.

Government ignored the suggestion of the CCLA and allotted 75.775 acres to PBPL (as against 75 acres in alienation order) for setting up a brewery, at a concessional rate of ₹ 1.50 lakh per acre as against the prevailing market rate of ₹ 20 lakh per acre, thereby giving an undue benefit of ₹ 14.01 crore¹² to PBPL.

4.18 Allotment to Hospitalia Eastern Pvt. Ltd

For mobilizing resources by way of auction of lands, Government land to an extent of 105.13 acres was alienated in December 2008 in favour of HUDA at ₹ 12 crore per acre as against the prevailing market value ranging between ₹ 15 – 20 crore per acre. Later, in July 2009, Government leased out for a period of 33 years, 4 acres (out of 105.13) in favour of M/s Hospitalia Eastern Pvt. Ltd., for establishing an international quality speciality hospital with associated commercial and residential facilities on payment of 5 *per cent* of the market value of land i.e., ₹ 10,000 per square yard as annual lease rent. Another 5 acres of Government land was leased out (September

¹² (75.775 x ₹ 20 lakh) – (75.775 x ₹ 1.50 lakh)

2010) to the same entity, on similar terms for establishing an internationally branded star luxury hotel with associated commercial and residential facilities. Government, thus sustained a loss of ₹ 315.39 crore¹³. Besides, valuable Government land, meant for public purpose, was being utilized for mobilization of funds and for allotment for commercial use.

4.19 Allotment to Indu Genome Valley Project

Government, in March 2006, allotted 20 acres of land in Sy.No.1266/1 of Shamirpet village, RR District in favour of APIIC for expansion of Biotech Park. Pending alienation order, the land was handed over to APIIC in May 2006, who awarded it to M/s. Indu Genome Valley (IGP) Project in an open auction. Land was registered in favour of IGP in May 2008.

However, contrary to the purposes for which the land had been allotted, IGP has used the land to implement a township project, involving construction of residential buildings, which was irregular.

As can be seen from the above cases of land allotment to private entities, the Government followed a 'pick-and-choose' approach, without openly inviting any Expression of Interest from potential investors. There was no discernible pattern in the grant of concessions to the allottees. Nor any mechanisms were put in place to ensure that the stated objective of land allotment to these entities representing different facets of socio-economic development viz. IT, SEZ, other industries actually translated into real projects on the ground within the prescribed timelines as were specified.

In response to audit findings, the Special Chief Secretary & CCLA stated that land was allotted at concessional rate to various entrepreneurs at concessional rates to promote industrial development and attract investors in the face of stiff competition from other states and countries and that the incentives, including cost of land, had to be packaged in such a way as to make it viable and attractive enough for the investors.

While it is appreciated that the Government was faced with a serious challenge in attracting investments from credible investors from across the world, allotment of land for commercial purposes at concessional rates to private parties without a competitive bidding process or even inviting an Expression of Interest from potential investors, carried heavy risk of Government's predicament being exploited by parties of unproven merit and of the entire process being manipulated by vested interests to garner undue benefit at the expense of the public exchequer.

¹³ 105.13 acres x ₹ 3 crore (difference between the cost at which alienated (₹ 12 crore) - market rate (₹ 15 crore)

4.20 Allotment to Educational Institutions

Government allotted land for setting up several educational institutions at concessional rates. While it is important that Government promotes education by providing incentives, it is necessary to have clear criteria with regard to the extent of land required for such purposes and a uniform standard of concessions to be given to such institutions. Given below are the cases of land allotment to three educational institutions, which do not fall under any specific criteria relative to institutions functioning on charitable basis and requiring such extensive concessions.

4.20.1 Synetics School of Business and Hospitality Management

The President, M/s Synetics School of Business and Hospitality Management, Visakhapatnam requested (July 2008) for alienation of 5 acres of land (Sy.No.401) in Kappuluppada village of Bheemunipatnam Mandal to establish a world class business and Hospitality School. While the District Collector and the Empowered Committee recommended (February 2009) alienation at ₹ 65 lakh per acre and ₹ 1.50 crore per acre respectively, the Government alienated (February 2009) land admeasuring 5 acres at ₹ 29.25 lakh per acre, which was far below the prevailing market value. Thus an undue benefit of ₹ 6.04¹⁴ crore was conferred upon the institution.

4.20.2 Brothers of Gabriel Educational Society, Hyderabad

Government alienated (April 2008) 8.67 acres at Putlampalli village of YSR District in favour of Brother Thomas Reddy, Project Director, Brother of Gabriel Educational Society, Hyderabad to enable him to establish an educational institution at Kadapa. Physical possession of the land was handed over in April 2010. Before alienation of land to the institution, the department was required to examine the project report of the institution to ascertain its land requirement, financial status, number of buildings to be constructed, time frame for construction, clearances obtained from the educational / technical departments for establishment of the institution, etc. No such exercise was carried out by the district authorities before the proposals for alienation of land were forwarded to the Government. Market value of the alienated Government land as recommended by District Collector, YSR district and also by the Empowered Committee was ₹ 20 lakh per acre. Government however, decided to alienate the land at ₹ 1.50 lakh per acre. Thus, benefit to the extent of ₹ 1.60 crore was extended to the institution.

4.20.3 Alienation of land to Hyderabad Public School

Government of Andhra Pradesh issued orders in April 2008 for alienation of its land to the extent of 25 acres in favour of Hyderabad Public School at Putlampalli village in Kadapa mandal for establishment of the school at ₹ 1.50 lakh per acre as against the market value of ₹ 3 lakh per acre, duly recommended by the Empowered Committee. Advance possession of the land had already been given by the District Collector to the

¹⁴ Ac.5.00 X ₹ 1.50 Crore (-) ₹ 1,46,25,000

Management, Hyderabad Public School in January 2005 without there being a specific order from the Government to that effect. Further, the entire cost of construction of the building (₹ 6.75 crore) was borne by the State Government even though the institution was not a charitable educational institute. Also, despite the stipulation in the Government order for payment of the cost of land immediately, the school management was yet to pay the cost of alienation amounting to ₹ 37.50 lakh as of November 2011. The total amount of undue benefit given to the school in this case thus was ₹ 7.13¹⁵ crore.

4.21 Allotment to other entities/ individuals

4.21.1 Allotment to Deccan Chronicle and Andhra Bhoomi Publications

M/s Deccan Chronicle and Andhra Bhoomi Publications (DCHL) requested (August 2008) for allotment of 5 acres of land (owned by HMDA) in Chitra layout at Saroornagar mandal of Ranga Reddy district. HMDA¹⁶, in December 2008, handed over possession of 1.31 acres (6357 square yards) to DCHL. Government formally approved allotment of land already taken over by DCHL in July 2009 on payment of ₹ 4.44 crore at ₹ 7,000 per square yard against the prevailing market value of ₹ 45,000 per square yard. This resulted in undue benefit of ₹ 24.16 crore to DCHL.

4.21.2 Allotment to Jawaharlal Nehru National Youth Centre

On the request of the Working President, Jawaharlal Nehru National Youth Centre (JNNYC) in October 2007, Government passed orders in June 2008 for alienation of 5 acres of land in Sy.No. 44 at Munuganoor Village, Hayathnagar mandal, Ranga Reddy District for the purpose of construction of buildings to conduct residential training camps and seminars for youth. Based on the prevailing market value, the District Collector and CCLA had proposed alienation at ₹ one crore per acre. Government order however, permitted alienation of land on payment of ₹ 15 lakh per acre. The organisation was thus given an undue benefit of ₹ 4.25 crore, without even checking out its antecedents. In fact, as of November 2011, Government has not received the cost of the land amounting to ₹ 75 lakh from the assignee although possession was given way back in June 2008.

In response, Special Chief Secretary & CCLA stated (February 2012) that a special consideration has to be given for promoting the institutions, especially NGOs, which are engaged in the upliftment of the downtrodden, physically and mentally handicapped, rescued girls, destitute children etc. It was further stated that these

¹⁵ ₹ 0.38 crore + ₹ 6.75 crore

¹⁶ Hyderabad Metropolitan Development Authority

institutions operate on non-profit basis and cannot afford to pay the market value of land.

While Government can take a sympathetic view in allotting land at concessional rates to various organisations engaged in social welfare, it has to ensure that the criteria for such allotments are transparent and well documented indicating thereby, norms based on which the concession has been extended. Since the above case did not meet this test, the reply is not acceptable.

4.22 Assigned lands

4.22.1 Compensation not paid to assignees

In Penugonda division of Anantapur district, 8,979.71 acres of assigned land were resumed and allotted for various industrial purposes to M/s Odyssey Science City, Industrial Park, Lepakshi Hub, Solar City etc. between 2007-08 and 2010-11. The compensation payable to 4115 assignees worked out to ₹ 143.70 crore. An amount of ₹ 111.06 crore was paid (August 2011) to 3,197 assignees. The remaining 918 assignees, to whom ₹ 32.64 crore were payable, had not been compensated so far.

4.23 Alienation of a Historical site to Whistling Woods International Ltd.

In violation of AP ‘Ancient and Historical Monuments and Archaeological Sites and Remains Rules 1960’, which prohibits alienation of lands forming part of historical sites, Government allotted (August 2009) 20.20 acres of land in Sy.No. 173 and 178 at Ibrahimbagh village, Golconda mandal, Hyderabad, that was adjacent to a protected monument (Premamati Mosque) to M/s Whistling Woods International Limited (WWIL). The allotment was made through APIIC for establishing a World Class Training Institute of Film, Television, Animation and Media Arts. This was followed by a lease agreement in October 2009, between APIIC and WWIL for allotment of 17.01 acres to WWIL for a tenure of 66 years, renewable for a further period of 30 years.

While the market value of the land was assessed by the District Collector, Hyderabad at ₹ 4.84 crore per acre, the Government allotted the land at ₹ 2 crore per acre. The lease rent was fixed at 0.2 *per cent* of the market value at which the land was allotted i.e. ₹ 2 crore per acre for the first three years. From the fourth year onwards, the lease rent was to be enhanced to 1 per cent of the market value. Further, the agreement allowed WWIL to exercise an option to purchase the land at a concessional rate of ₹ 2 crore per acre after ten years, duly adjusting the lease rentals paid by that time.

The Government, thus, gave undue benefit to WWIL both in terms of concession in charging half the actual market value of the land and the option given to it for

purchasing the land ten years down the line at the same rate irrespective of appreciation of land value. Further, allotment of land in a protected area for commercial purposes violated Government rules. In fact, audit scrutiny revealed that at the time of alienating the land, Government had already decided to sign an MOU with the Islamic Republic of Iran for taking up the restoration and conservation of the monuments adjacent to this land.

Consequent to filing of a writ petition (December 2009) by a private citizen in the State High Court, the matter is currently sub-judice.

Chapter 5 - Employment Generation by SEZs

APIIC, being an undertaking of Government of Andhra Pradesh, has been tasked with development of industrial infrastructure through development of industrial parks and Special Economic Zones (SEZs). In accordance with Special Economic Zones Act 2005, development of 53 SEZs in the State through APIIC (17 SEZs by APIIC itself and 36 SEZs with its assistance) was contemplated.

5.1 Extent of employment generated

Apart from the cases of allotment of land, mainly in Ranga Reddy district, for setting up IT related SEZs, discussed in Paragraphs 4.8 and 4.9 of this Report (Sl. No. 8-11), test check of transactions relating to 12 other SEZs in the sampled districts revealed that seven of these SEZs (Sl. No. 1-7) had not generated the expected employment as can be seen from the details given below:

Table-7

Sl. No.	Name of Company	Extent of land (in acres)	Year of allotment	Type of industry	Employment contemplated	Employment generated
1	L&T Hitec City, Gannavaram, Krishna District	30.17	2006	IT SEZ	10000	210
2	Footwear SEZ, Mambattu, SPS Nellore District	313.57	2006	Footwear	15000	5000
3	Brandix India Apparel City, Visakhapatnam	1000.00	2006	Textile Park	60000	13298
4	Bharatiya International, Nellore, SPS Nellore District	250.59	2007	Leather	10000	0
5	Sri city, Tada, SPS Nellore Districts	3798.86	2007	Multi- product SEZ	175000	5000
6	Special Projects Zone, Visakhapatnam District	2210.28	2007	Multi-product SEZ	6507	2074
7	MAS Fabric Park India Pvt. Ltd.	714	2007	Establish textile and apparel park	31000	---
8	Lepakshi Knowledge Hub Pvt. Ltd. (LKH) Gorantla & Chilamattur, Anantapur District (refer para 4.8)	8844.01	2009	Integrated Global Knowledge Hub	150000	---
9	Brahmani Infratech Pvt. Ltd. Raviryal and Mamidipalli Villages, RR District (refer para 4.9)	250	2006	Setting up an IT/ITeS SEZ	45000	---
10	Indu Tech Zone Pvt. Ltd. Mamidipalli Village, RR District	250	2006	Setting up an IT/ITeS SEZ	45000	---
11	Stargaze Properties Pvt. Ltd. Raviryal Village, RR District	250	2006	Setting up an IT/ITeS SEZ	45000	---
	Total	17911.48			592507	25582

Against the contemplated employment of 5.93 lakh jobs, the 4 SEZs, which had been allotted 9594.01 acres of land at concessional rates had generated zero employment opportunities while the remaining seven SEZs to which 8317.47 acres of land were similarly allotted had generated only about 0.26 lakh (*4 per cent*) jobs during the last 4-5 years.

Chapter 6 - Non-utilization of Land for Allotted Purpose

Apart from the specific cases detailed in the above paragraphs, there were several cases of land allotments during the period 2006-07 to 2010-11 and even earlier, where the purpose for which the land was allotted by the Government that included construction of school, hostel, office building, hospital, industry, SEZ etc has not been achieved. Illustrative cases are given below.

6.1 Allotment to Health City

For establishment of 'Health city' in Visakhapatnam, Government, during February 2006 alienated 111.01 acres (net usable area: 63.21 acres) in Chinnagadila village to APIIC. The Corporation demarcated 18 plots and allotted 10 plots (29.77 acres) to ten hospitals between July 2006 and January 2011 with a stipulation to (i) complete the projects within two years from the date of allotment, (ii) extend free treatment to 10 *per cent* of poor out-patients and to the students of Government residential schools. Of these, six entrepreneurs paid ₹ 40.38 crore as the land cost and took possession (July 2006 – September 2010). However, none of these entrepreneurs had established the intended hospitals as of July 2011.

Further, APIIC did not collect cost of land from these ten entrepreneurs at uniform rates which ranged from ₹ 2.45 crore to ₹ 4.40 crore per acre. Nor did it prescribe uniform time schedule for collection of land cost. While it fixed five yearly installments for one entrepreneur, the other entrepreneurs were asked to pay (i) within one week, (ii) sixty days and (iii) ninety days only. It offered a five *per cent* rebate in land cost to two entrepreneurs which was not extended to others. ***Thus, allotments and terms of payment of cost of land were determined in an arbitrary manner.***

6.2 Allotment to Hardware Park, Maheswaram

Government land to the extent of 615.43 acres were allotted, between June 2000 and June 2010, to 58 units in Hardware Park, Maheswaram, RR District. The allotted land was not to be diverted for any other purpose. Of this, 36 units, to which 329.32 acres of land had been allotted, had not implemented their projects even after the lapse of periods ranging from 1 to as long as 11 years¹⁷ after the date of allotment. No action was taken by APIIC for non-implementation of projects by the allottees. Further, 11.97 acres of land were allowed to be diverted to 5 units¹⁸ for commercial purposes such as hotels, petrol bunk and office.

¹⁷ Land allotted to 1 unit in 2000, 1 unit in 2004, 6 units in 2005, 14 units in 2006, 5 units in 2007, 5 units in 2008, 4 units in 2010

¹⁸ Shamshabad Airport Filling Station -1.12 acres; Taj G.V.K. Hotels – 1 acre; Sri Sesha Sai Hotels – 1.52 acres; Beas Projects Pvt. Ltd. – 6.83 acres; Raaga Infra Projects – 1.50 acres

Diversion of land for commercial use and non-implementation of projects for which land had been actually allotted, and failure of APIIC to take appropriate action to cancel or resume lands for violation of stipulated conditions, had vitiated the entire purpose of allotment of Government land in these cases.

6.3 Other cases of Non-utilisation

Some of the other cases involving non-utilisation of 5,520.28 acres of land allotted prior to 2010 for different purposes that came to light during the test check of records in the eleven sampled districts are tabulated below.

Table-8
Cases of Non-utilisation of land

Sl. No	Name of the Institution	Date of allotment	Extent of land	Purpose	Present status
1	APIIC, Rampur village, Warangal district	1985	Ac 72.14 Rampur village, Warangal district	Industrial development	Industries were not established
2	Bharat Salt Refineries Limited, Hyderabad	July 2001	Ac. 6505 in Polatippa village, Krishna district	Iodised salt manufacturing project	Out of Ac. 6505, Ac. 650 valued ₹ 16.25 crore was not utilized.
3	District Tribal Welfare Officer, Hyderabad	May 2002	Ac. 0.40 Ibrahimbagh, Golkonda(M)	For construction of Government hostel building	Building was not constructed, only compound wall was constructed
4	District Sports Authority, S.P.S.Nellore	2002	Ac 9.00 Kavali village, SPS Nellore district	Construction of Sports complex	Construction not taken up
5	APIIC Ananthapur	November 2002	Ac.286.99 Gollapur Village Ananthapur district	Development of Industrial Park	The land was not utilized by APIIC
6	M/s. Neuland Lab Hyderabad	December 2004	Ac. 5.00, Nanakramguda, RR district	To construct RD centre for drug discovery	The land was not utilized
7	Visual Soft Technologies Inc. Hyderabad	March 2005	Ac. 15.61, Nanakaramguda, RR district	IT Software	The land was not utilized
8	Deputy Inspector of Schools, Hyderabad	June 2005	Ac. 0.49, Kandikal village, Bandlaguda Mandal	Construction of office building	The land was not utilized
9	Hyderabad Metro Water Supply & Sewerage Board Hyderabad	June 2006	Ac. 4.00, Bandlaguda Village & Mandal	Construction of Reservoir	The land was not utilized by the Board so far
10	Oil & Natural Gas Corporation,Hyd	June 2006	Ac. 2.60, Nanakramguda, RR district	To construct oil and gas data Processing centre	The land was not utilized
11	Prakruthi Infrastructure Development Co. Hyderabad	June 2006	Ac. 1.57, Nanakramguda, RR district	To provide common facilities	The land was not utilized (case is in the court)

Sl. No	Name of the Institution	Date of allotment	Extent of land	Purpose	Present status
12	Amazon IT Services (India) Pvt. Ltd. Hyderabad	December 2006	Ac. 10.57, Nanakramguda, RR district	To construct IT Software park	The land was not utilized (case is in the court)
13	APIIC Visakhapatnam (SEZ)	April 2007	Ac.5595.47, Achutapuram & Rambili mandals	Provision of infrastructure like roads, water, power etc.,	Ac.3132.11 was kept vacant as of June 2011
14	Andhra Pradesh Housing Board, Hyderabad	October 2007	Ac. 79.00, Sy.No. 103/17, 18,19,20/1 Bandlaguda (village & Mandal)	Construction of houses for lower income group	The land was not utilized
15	Andhra Pradesh Housing Board, Hyderabad	February 2008	Ac. 13.45, Sy.No. 103/1 & 103/11 Bandlaguda (village & mandal)	Construction of houses for lower income group	The land was not utilized
16	APIIC Ananthapur Dist	September 2008	Ac.402.10 Tummalala Village Amadagur mandal	Establishment of science city in Ananthapur District	The land was not utilized
17	MANASA Society Hyderabad	January 2009	Ac. 0.20, Kothapet village, Uppal Mandal in RR district	Construction of a school	The land was not utilized
18	Sanjeevani Nature Cure Foundation Hyderabad	January 2009	Ac. 1.00, Najeebnagar, Moinabad mandal, RR district	The foundation was required to construct a hospital	The land was not utilized
19	Andhra Pradesh Housing Board, Hyderabad	March 2009	Ac. 2.50, Mailardevpalli, Bandlaguda Mandal	Construction of houses for lower income group	The land was not utilized
20	Palnadu Infrastructure Pvt. Ltd. Hyderabad	October 2009	Ac. 0.93, Nanakramguda, RR district	Construction of Incubation centre	The land was not utilized
21	V Zone Hospitality Hyderabad	January 2010	Ac.1.23 Nanakramguda RR district	Hotel project	The land was not utilized
22	Tata Institute of Social Sciences (TISS), Mumbai	June 2008	Ac 65.00 Mamidipally (V) Kothur (M) Mahabubnagar (Dist)	Educational Institution	The land was not utilized
23	Symbiosis International University, Pune	June 2008	Ac 40.00 Mamidipally (V) Kothur (M) Mahabubnagar (Dist)	Educational Institution	The land was not utilized

Sl. No	Name of the Institution	Date of allotment	Extent of land	Purpose	Present status
24	President, District Congress Committee	February 2009 & August 2009	Ac 10.00 GLR Sy. No. 502 & 503 and Ac. 0.3875 in GLR Sy. No. 502/P2 of Bowenpally Village, Tirumalagiri Mandal, Hyderabad	Establishment of National Level Institute of Human Resources Development and Gandhi Ideas Centre	The land was not utilized
25	MAS Fabric Park India Pvt Ltd	February 2007	714 acres in S.P.S. Nellore district	Establish textile and apparel park before February 2009 and provide employment to 31000 persons before February 2014	Not yet established

As indicated by the above listed cases the Government/APIIC had not been monitoring utilisation of land allotted for specific purposes. This has virtually defeated the objectives that had guided such allotments. This situation is also fraught with the risk of encouraging fly-by-night operators bent on garnering public assets at below market rates, diversion of public land for private purposes and attendant mal-practices.

Chapter 7 - Violation of Environmental Regulations

7.1 Alienation of water bodies against orders of Supreme Court

The Supreme Court of India in Civil Appeal No. 4787/ 2001¹⁹ ordered (25th July 2001) that forests, tanks, ponds, etc., which are nature's bounty, maintain delicate ecological balance and hence need to be protected for a proper and healthy environment.

Contrary to these orders, Government of Andhra Pradesh in September 2008, alienated 1046.21 acres of land in Sompeta mandal of Srikakulam district to Nagarjuna Construction Company Infrastructure Holdings Ltd (NCC) for establishing a 1980 MW thermal power project. Out of this land, 972.69 acres constitute a water body. The area is a huge swamp submerged throughout the year and is used by fishermen for inland fishing and also as a source of drinking water. The swamp is a natural habitat for more than 120 resident/migratory birds and is internationally recognized as wet land ecosystem. Although Government had prohibited (May 2000) its alienation for any purpose, it gave possession of the site to the company, in violation of its own orders.

Special Chief Secretary & CCLA in his reply confirmed that the land in question was a swamp but stated that it was being used only by fisherman for catching fish for their livelihood and since it was not considered good enough for any other activity, it was allotted for setting up a thermal plant.

The reply is not acceptable, because the National Environmental Appellate Authority (NEAA) quashed (July 2010) the environmental clearance given by EAC²⁰ ordering the State Government not to alienate such lands. Moreover, the Irrigation Department of Government of Andhra Pradesh in response to an RTI application, in November 2009, revealed that three minor irrigation projects were taken up in the area (ayacut of 750 acres). Of these two have already been commissioned (ayacut of 500 acres)..

Failure of the State Government in taking note of the environmental impact of this project resulted in alienation of the water body to NCC, despite the latter not having obtained the requisite clearances for setting up the power plant from the Union Ministries of Power and Environment & Forests.

¹⁹ SLP No. 13695/2000.

²⁰ Expert Advisory Committee

7.2 Institute of Management Technology (IMT)

Government, in July 2008 allotted to Institute of Management Technology, Ghaziabad (IMT) 30 acres of land that included 19.85 acres under illegal occupation in (Survey No. 38) Cherlaguda Village of Shamshabad mandal in RR. The allotment was made on payment of ₹ 1.5 lakh per acre against the market value of ₹ 50 lakh recommended by the CCLA. This land was part of the catchment zone of Himayatsagar Dam, which is a restricted area. Government thus, flouted its own rules that prohibit alienating land in catchment areas for human settlement. In making this allotment, the adverse impact of the project on water resource like Himayatsagar Dam project was also not reckoned.

7.3 Mining activities in areas allotted for non-polluting industries

Government of Andhra Pradesh allotted (August 2007) 33.11 acres (Sy.No.308) and 238.28 acres in (Sy.No.309/1) in Gajularamaram Village, Qutbullapur mandal in Ranga Reddy district on lease basis for 99 year in favour of AP State Finance Corporation (APSFC). The lands were handed over to APSFC in August 2007 and March 2008 for utilisation of non-polluting industries. However, despite this stipulation, the Mines department of the Government of AP has been issuing temporary permissions (April 2006 to October 2009) allowing mining leases over an area of 33.02 acre of the allotted land. This fact was not indicated in the alienation order. APSFC authorities also stated (December 2007) that lease holders were illegally quarrying in about 100 acres in excess of the land leased out to them. Although there was a ban on quarrying and mining in 14 mandals including Quthbullapur mandal, temporary mine leases were still being granted by the Mining department in the said mandal. The fact that mining activities were already being carried out on the allotted lands, as revealed (April 2011) by APSFC authorities indicated that these lands were already being polluted. The condition in the alienation order stipulating use of this land only for non-polluting purposes was meaningless and underlined information assymetry and lack of coordination in the Government.

In response to the audit findings on allotment of land to projects/units which have an environmental impact, the Special Chief Secretary & CCLA stated that, although the land is classified in revenue records as "water body" like canals etc. on ground, there was no such water body and that, land in such cases, is being recommended for allotment, based on the requirement for public purposes.

Chapter 8 - Encroachment of Government land

8.1 Introduction

A substantial chunk of unassigned Government land was encroached upon by various people, some of who are real estate developers, by constructing dwelling houses and/or developing industrial townships and other infrastructure. Government has been issuing orders from time to time regularizing such encroachments and collecting the cost of the land from the allottees.

Government does not have any comprehensive data as to how much of its land is under encroachment. All that the Government had was the data relating to the applications received from 1.72 lakh encroachers from the year 2008 onwards, and the 14,878 encroachers, in respect of whom, it regularized 21 lakh sq. yards of land, after collecting ₹ 63.71 crore.

8.2 Compensation to illegal occupants of Government land

APIIC, in March 2004, requested the Government, for alienation of 622.10 acres of land in Nadurgal Village of Saroornagar mandal in Ranga Reddy district. Of this, 128.36 acres of land was under illegal cultivation by encroachers. Advance possession of land to an extent of 373.55 acres was handed over to APIIC in May 2007 and permission for advance possession of another piece of land admeasuring 103.21 acres was accorded by Government in January 2011, pending disposal of alienation proposals. The Tahsildar recommended (February 2011) that, before handing over the land to APIIC, compensation should be paid to encroachers, even though penalty had already been imposed on them during 1978-79 to 1980-81 in Jamabandi for illegal cultivation of Government land. The recommendation was based on the argument that even though there were no entries in favour of the encroachers in revenue records, the encroachers may still approach the Court. The encroachers of Government land were thus paid (February 2011) ex-gratia of ₹ 8.25 crore at ₹ 8 lakh per acre for vacating 103.21 acres of land held by them illegally since 1978. As such, instead of evicting the persons who were unauthorized occupants and were illegally benefitting by cultivating Government land, huge sums were paid to them as compensation. Such treatment of persons encroaching upon Government land would potentially encourage further encroachments elsewhere.

Similarly, as discussed in Para 4.13 Government regularized/alienated (March 2010) 25.72 acres of land in favour of M/s Aurobinda Pharma Limited, Hyderabad (APL) at a meagre amount of ₹ 5 lakh per acre as against ₹ 25 lakh per acre recommended by the District Collector despite the fact that 20.48 acres (out of 25.72 acres) was already under encroachment by APL since 2002.

8.3 Continued illegal occupation of Government land

For establishment of an important national facility for testing supersonic / hypersonic missiles / air craft system, Government land to an extent of 162.13 acres in Kurmaguda Village of Saroornagar mandal, Ranga Reddy district was handed over (2008-09) to the Director, Management Services of RCI (DRDO). Of this, an extent of 95.60 acres was under illegal occupation since 1975-76 as reported (February 2010) by the Deputy Collector & Tahsildar, Saroornagar mandal. Further, the Director of Management Services stated (June 2011) that despite directions from the State Government no action was taken by the district authorities to hand over physical possession of land under police protection. Allowing illegal occupation of Government land and allotting such a land to a sensitive national security organization without evicting the encroachers, impeded the implementation of the project for which the land was allotted.

8.4 Acquisition of Government land

- Executive Engineer, TLC Ring Main Division, Mint Compound requested (September 2007) District Collector, RR District to provide land admeasuring 11.04 acres situated at Bahadurguda village of Shamshabad mandal for diversion of 220 KV Mamidipally YDML line passing through the premises of International Airport. Although the land was identified as Government land, it was decided to acquire it under LA Act on the plea that evicting encroachments on the land would delay its restoration. Although the District Collector was not competent to acquire land for electricity department, the acquisition process was initiated and the award was passed in April 2008 for ₹ 1.09 crore. An amount of ₹ 96.97 lakh was also deposited (May 2008) in District Court for adjudication and compensation. Thus, instead of evicting the encroachers of Government land, an award under LA Act was passed in their favour.
- Reference is invited to Paragraph 7.2 wherein mention was made about allotment of 30 acres of land to IMT in Shamshabad mandal of Ranga Reddy district in July 2008. While land was allotted to IMT at ₹ 1.50 lakh per acre against the market value of ₹ 50 lakh recommended by the CCLA, Government also ordered payment of compensation to encroachers of the land (19.85 acres) at the rate of ₹ 1.10 lakh per acre plus 30 per cent solatium. Thus, while on one hand the Government had allowed a concessional rate to IMT by alienating land valued at ₹ 15 crore for ₹ 45 lakh, on the other hand, it ordered payment of ₹ 26.43 lakh to the encroachers for resuming its own land for the purpose of alienation. Also, Government, instead of evicting the encroachers, had rewarded them for illegally occupying its land.

8.5 Illegal constructions within the limits of protected monuments

As per the provisions of Archeological Monuments and Archeological Sites and Remains Act 1958, the areas up to 100 meters from the protected limits and further beyond it up to 200 meters near or adjoining the protected monuments are respectively, declared as prohibited and regulated areas for purposes of both constructions and mining operations. In YSR District, it was noticed that there were 10 illegal constructions near Sri Sowmyanadha Swamy Temple at Nandalur; and 29 illegal constructions near Sri Vigneswara and Agasteeswara Swamy Temple at Chilamkur. Besides, 15 land encroachment cases pertaining to the year 2007 to 2010 involving an extent of 146.25 acres of land (including lands of archeological importance, Government lands and lands of rivers/ponds) were also noticed in Audit. In Siddanakichchayapalli Village of Porumamilla Mandal, the pond admeasuring 60.08 acres was encroached and the soil of the pond was being sold. In Obulavaripalli Mandal, Government land to the extent of 50 acres was used for dumping mining waste.

8.6 GO 166 of February 2008 on regularization of encroachments

In February 2008, the State Government issued an order (GO 166 of 16 February 2008) for transfer of rights to occupants of unassigned Government lands (i.e. encroachers), purportedly in the context of *“longstanding occupation of smaller extents by members of the weaker sections, slum dwellers, low and middle income group people etc”*. The salient features of the GO were as follows:

- Applications for ‘transfer of rights’ to an extent of 250 square yards were to be decided at the level of the District Collector;
- Applications for ‘transfer of rights’ above 250 square yards were to be scrutinized by a Committee under the Chairmanship of the CCLA. Orders for transfer of rights upto 500 square yards were to be issued by the CCLA, while orders for transfer of rights above 500 square yards would be sanctioned by the Government. The maximum area for transfer of rights was set at 2000 square yards.
- Different slabs of amount payable for transfer of rights (including further alienation) were stipulated for APL and BPL applicants, with the amounts being identical for areas above 200 square yards. However, BPL households could be issued assignment patta (with prohibition of alienation) free of cost. Depreciation at 3 per cent per annum (subject to a maximum depreciation of 75 per cent) was allowed.

While the stated purpose of the GO of February 2008 was in the context of 'long standing occupation of smaller extents by members of the weaker sections, slum dwellers, low and middle income group people etc.', allowing regularization of encroachment for area upto 2000 square yards in cities like Hyderabad (and its surrounding areas), Visakhapatnam etc. was clearly contrary to the stated objective. Areas of this size (in fact, any areas exceeding 100 or at most 200 square yards) are clearly not inhabited by 'weaker sections, slum dwellers etc'. The GO thus enabled the Government to issue orders for transfer of rights above 500 square yards in respect of several wealthy encroachers. Besides, allowing depreciation upto 75 per cent on land, which is not tenable under any accepted commercial principles of accounting was not only absurd but also enabled regularization of encroachment of valuable public land at paltry rates. Clearly, the State Government has sent out wrong signals to the public as well as potential encroachers, implicitly encouraging violation of rules and infringement of Government's rights.

Special Chief Secretary & CCLA stated that a new initiative for protection of Government lands is under way and that, a comprehensive policy for protection of Government land at physical, legal and administrative levels has been submitted to Government for approval.

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 .

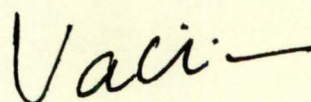
While the Government had channelized thousands of acres of land through APIIC for industrial development, the latter could neither propel the State towards targeted industrialization nor safeguard Government interest while entering into development agreements and in related allotment of lands to various 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

16 MAR 2012

Countersigned

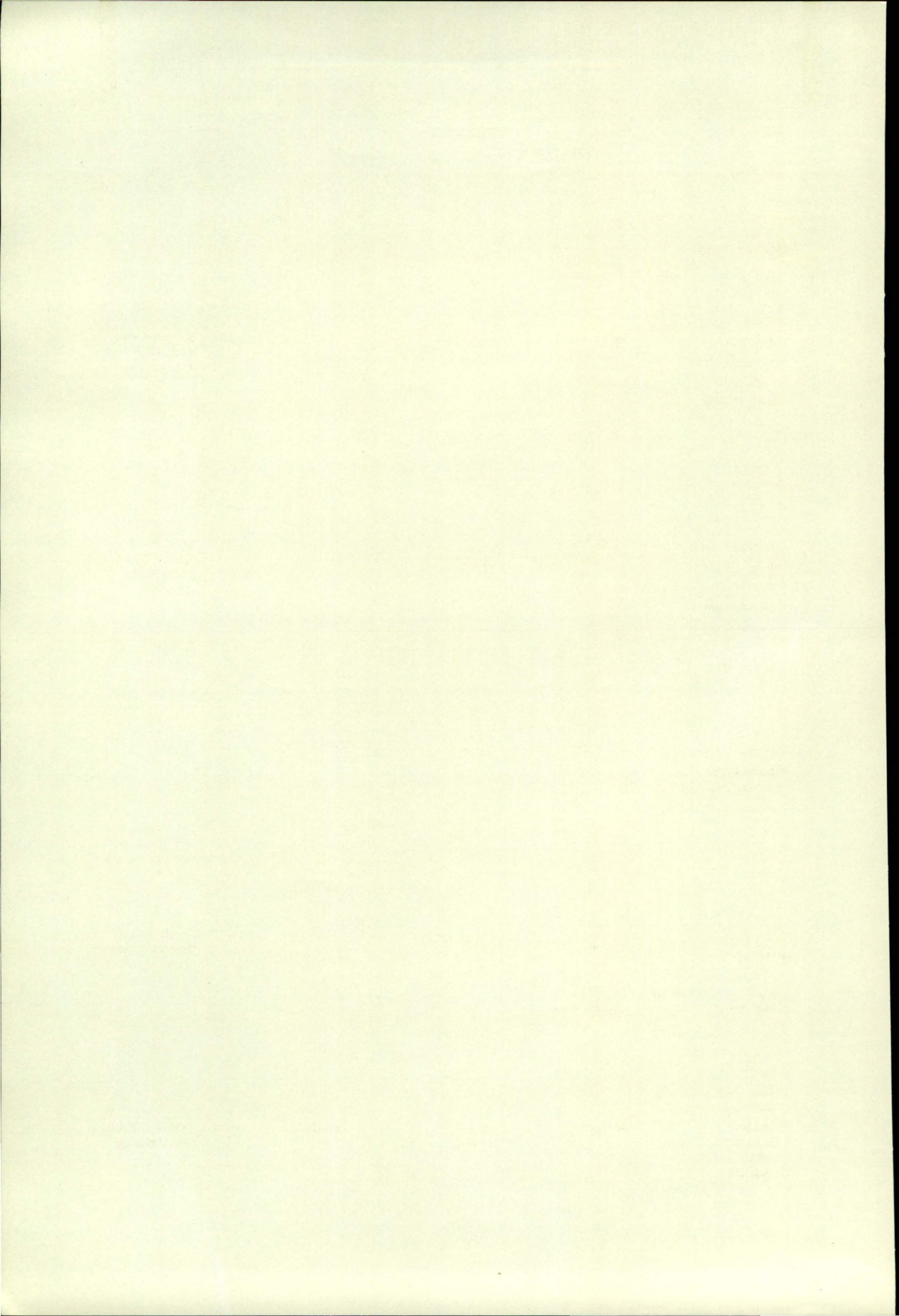


(VINOD RAI)
Comptroller and Auditor General of India

New Delhi
The

16 MAR 2012

Appendices



Appendix-A
(Reference to para 4.3, page 9)

Amount yet to be realised for land alienated

Sl. No.	Extent of land, village, Survey No.	Name of beneficiary	GO No Date	Rate fixed (lakh per acre)	Amount to be paid (₹ in lakh)	Purpose
1	Ac 923.50 Sy.No.334, etc Dividi (V) Nizampatnam (M)	VANPIC Pvt. Ltd.	1115 16-9-08	1.68	7.39	Implementation of VANPIC Project (balance to be realised)
2	Ac 407.59 Sy.No.837,etc Perali (V) Karlalalem (M) Guntur (Dist)	VANPIC Pvt. Ltd.	1115 16-9-08	1.29	3.67	Implementation of VANPIC Project (balance to be realised)
3	Ac 481.63 Sy.No.552/2, etc Amudalapalli (V) Nizampatnam (M) Guntur (Dist)	VANPIC Pvt. Ltd.	1115 16-9-08	1.68	3.85	Implementation of VANPIC Project (balance to be realised)
4	Ac 722.45 Sy.No.717, etc Adavuladeevi (V) Nizampatnam (M) Guntur (Dist)	VANPIC Pvt. Ltd.	1115 16-9-08	1.68	5.78	Implementation of VANPIC Project (balance to be realised)
5	Ac 1651.14 Sy.No.612, etc Nizampatam (V&M) Guntur (Dist)	VANPIC Pvt. Ltd.	1115 16-9-08	1.68	13.21	Implementation of VANPIC Project (balance to be realised)
6	Ac 4.70 (22748 Sq yards) T.S.No.1777/1, Narasaraopet Town, Ponnuru, Guntur (Dist)	M.D., Rajiv Swagruha Corporation Ltd., Hyderabad	1440 4-12-08	1160 per sq yard + 10% of Alienation cost	290.27	Construction of houses
7	Ac 49.06 Sy.No.667/1 etc Jettipalem (V) Rentachintala (M) Guntur (Dist)	Parasakthi Cement Industries Ltd., Hyderabad	47 18-1-08	50,000/- per acre + 18% compound interest p.a. from the date of handing over of land	24.53	Construction of staff colony and development of green belt
8	Ac 0.045 (217.80 sq yards) Sy.No.61 of Vinukonda Municipality, Vinukonda, Guntur (Dist)	Vinukonda Municipality, Vinukonda	B2/2147/2006 21-12-06 of CCLA, Hyderabad	33.88	1.53	Construction of shopping complex
9	Ac 5.44 cts Sy.No.555/1-2&2-1 Pakalapudu (V), Sattenapalli (M) Guntur (Dist)	AP TRANSCO	467/22-05- 2010	1.00	5.44	For construction of 132/33 KVSS
10	Ac 1.00 Sy.No.166 Bandlaguda (V&M) Hyderabad	APCPDCL	1132 28-10-09	469.48	469.48	Erection of 33/11 KVA substations

Performance Audit Report on Land Allotment

11	Ac 0.22 cents (1076.4 SqYds) Sy.No.318/22 Golconda Hyderabad	APCPDCL	75 27-1-10	242.00	53.24	Erection of 33/11 KVA substations
12	Ac 0.10 cents (500 Sq Yds) Sy.No.13/d/150 Musheerabad Hyderabad	APCPDCL	285 26-02-09	1161.60	116.16	Erection of 33/11 KVA substations
13	Ac 0.21 cents (840 Sq Mts.) Sy.No.127/1/1/B8, Khairatabad Hyderabad	APCPDCL	285 26-2-09	774.40	162.62	Erection of 33/11 KVA substations
14	Ac 2.07 cents 403, TS No.2 Part&3 Part, Block-D, Ward-9 Shaikpet (V&M)	APHB	1555 19-12-07	1694.00	3506.58	Resource Mobilisation
15	Ac 1.93 cents 403, TS No.1 Part, Block- F, Ward-9, Shaikpet(V&M)	APHB	1555 19-12-07	1694.00	3269.42	Resource Mobilisation
16	Ac 1.80 cents TS No.43/3/A Part, Block- E, Ward-89, correlated Sy No.227 part, Khairatabad (V&M)	APHB	1555 19-12-07	1210.00	2178.00	Resource Mobilisation
17	Ac 2.00 Sy No.74 (844/1), Marredpally	APHB	1555 19-12-07	1452.00	2904.00	Resource Mobilisation
18	Ac 14.00 TS No.102/1, Block No.51, Ward-12, Shaikpet(V&M)	APHB	1555 19-12-07	1936.00	27104.00	Resource Mobilisation
19	Ac 6.28 cents 403,102/1, TS No.7 Part & B part, Block-A, Ward- 12, Shaikpet (V&M)	DILL	1555 19-12-07	1936.00	12158.08	Resource Mobilisation
20	Ac 2.00 403, TS No.9, Block-F, Ward-1 Shaikpet(V&M)	DILL	1555 19-12-07	1936.00	3872.00	Resource Mobilisation
21	Ac 0.45 cents 844/1, Malkajgiri(V), Marredpally(M)	APHB	1024 14-8-08	1452.00	653.40	Resource Mobilisation
22	Ac 11.00 844/1 Malkajgiri(V), Marredpally(M)	APHB	1024 14-8-08	1452.00	15972.00	Resource Mobilisation
23	Ac 0.25 cents 37, Thokatta(V), Tirumalagiri(M)	APHB	1024 14-8-08	1452.00	363.00	Resource Mobilisation
24	Ac 1.92 cents 82/P&157/1, Bowenpally(V)& Thokatta(V), Tirumalagiri(M)	APHB	1024 14-8-08	1452.00	2787.84	Resource Mobilisation
25	Ac 5.30 cents 103/1 Bandlaguda(V&M)	APHB	1024 14-8-08	217.80	1154.34	Resource Mobilisation
26	Ac 13.45 cents 103/1 Malkajgiri(V), Marredpally(M)	APHB	1024 14-8-08	217.80	2929.41	Resource Mobilisation
27	Ac 10.00 403, Shaikpet(V&M)	APHB	1024 14-8-08	3872.00	38720.00	Resource Mobilisation
28	Ac 16.00 Sy. No. 467 Giddagutta of Damanigidda (V & M), Mahabubnagar Dist.	Sri Matha Manikyeswari Trust	1448 6-12-08	0.75	12.00	To establish Ashram

29	Ac 2.00 Sy.No. 98, Mustipally (V), Makthal (M)	Divisional Engineer, Electric Operations, Mahabubnagar		0.10	0.20	Construction of 33/11 KV sub- station
30	Ac. 5.00, 782, Devarayamjal	SAAP (Mukesh Kumar Hockey Academy)	373, 25-03-2006	5.00	25.00	For establishment of Mukesh Kumar Hockey Academy
31	Ac. 5.00, 44, Munganoor (V), Hayathnagar(M)	Jawaharlal Nehru Youth Centre A.P., Chapter	85, 30-01-2010	15.00	75.00	Construction of Building to conduct residential Training Camps, seminars for the youth
32	Ac. 1.01, 51, Bairamalguda (V), Saroornagar(M)	Central Power Distribution Company of A.P.Ltd	224 19-03-2010	450.00	454.5	Construction of New 33/11 KV Sub-Station
33	Ac. 0.30, 461, Jawaharnagar(V), Shamirpet(M)	HMWSSB	1250, 29-10-2008	50.00	15.00	Sump & Pump house under RGK.
34	Ac. 105.33 41/14, Khanamet (V), Serilingampally(M)	HMDA	1484, 12-12-2008	1200.00	126396.00	Resource Mobilization
35	Ac. 20.00 , 510/1, Kanakamamidi	Polo Association, South Zone	7, 16-02-2009	3.30	66.00	Development of Polo Infrastructure
36	Ac. 2.00, 91, Perweda (V), Rajendranagar (M)	APCPDCL	583, 04-04-08	8.00	16.00	Construction of 33/11 KV Sub- station
37	Ac. 250.00, 288, Mucherla (V), Kandukur (M)	Georgia IT University	53, 27-03-08	1.50.00	375.00	Establishment of IT University
38	Ac. 0.20, 170, Madinaguda (V), Serilingampalli (M)	Manikya Homes Pvt. Ltd.	14-06-2006	242.00	48.40	Approach road
39	Ac. 3.85, 37, Gopanpally (V), Serilingampalli (M)	HUDA	1252, 08-12-09	968.00	3726.80	CDA Master Plan road
40	Ac. 10.00, 548, Koheda (V), Hayatnagar (M)	Sri Satya Sai Trust	228 12-08-10	5 .00	50.00	Polytechnic for Physically Challenged
41	Ac. 9 Kavali (V&M) Nellore Dist.	Secretary Dist Sports Auth, Nellore	125 7-2-09	1.00	9.00	Sports stadium
42	Ac. 0.75 Kalikiri V,M Nellore Dist	APSRTC	893, 20/11/04	25.17	18.88	For bus station
43	Ac. 814.77, Tamminapatnam (V) Ac. 1033.21, Momidi (V)	APIIC	223, 20-02-09	0.60	1108.79	Industrial park
44	Ac. 978.23, Tamminapatnam (V) Ac. 37.49, Momidi (V)	APIIC	300, 26-02-09	0.60	609.43	Industrial park
45	Ac. 7.08, Venkatavari Kandriga (V) Ac. 5.86, Rajupalem (V), Ozili (M)	Shivanti Adityan Sports Foundation, Visakhapatnam	160, 16-02-09	0.50	6.47	Construction of Sports Academy
46	Ac. 3333.45 cts Santhabommali (M) Srikakulam District	APIIC	1108 Dt. 15.9.09	0.85	2833.43	Thermal power plant
47	Ac. 334.95 4 villages in Makavarapalem mandal Visakhapatnam dist	APIIC	744 20-7-09	Ac. 333.50 at ₹ 2,32,000 per acre and Ac 1.45 at ₹ 4.00 lakhs per acre	779.52	Industrial park

Performance Audit Report on Land Allotment

48	Ac 0.45 Balighattam (V) Narsipatnam M Visakhapatnam dist	APEPDC Ltd.	1346 9-11-10	₹ 22.00 per Acre + 9% interest P.A. from the date of handing over of land	9.90	33/11 KV substation
49	Ac 2.00 Rishikonda (V) Visakapatnam rural mandal	Indian Coast Guard, Visakhapatnam	1237 25-09-10	₹ 1.00 Crore per Acre + 9% interest P.A. from the date of handing over of land	200.00	Office bldg
50	Ac 1.38 cts Cheepurupalli (V) Vizianagaram	APSRTC	1465, 8.12.08 and 88, 28.1.09	39.93	55.10	Bus complex
51	Ac 1.00 cts Ardhanapalem (v) Kottavalasa (M) Vizianagaram	Civil Supplies Corporation	Rc. No. 4292/06/E 17.01.07	1.50	1.50	Godown
52	Ac 1.00 cts Cheepurupalli	TTD	60 20.1.09	0.50	0.50	Kalyana mandapam
53	Ac 1.96 cts Therlam	APSRTC	1452 6.12.08	3.00	5.88	Bus station
54	Ac 0.37 cts Vizianagaram	PD, DRDA	1289 30.6.05	9.68	12.40 (including interest)	Residential quarter
55	Ac. 9.94, Salur (M)	Paramatalli Mini Hydro Power Project	30.4.10	0.38	3.78	Industrial purpose
56	Ac 2.00, Vizianagaram town	Working Journalist MACH Society	20.2.09	2.00	4.00	House sites
57	Ac 47.26, Nellimarla (V)	Sri Rama Educational Institution	5.8.08	5.00	236.30	Educational purpose
58	Ac 0.24, Tummikapalli (V), Kothavalasa (M)	Vagdevi Jr. College	20.2.08	8.23	1.97	College building
59	Ac. 72.14 Rampur (V) Dharmasagar M Warangal Dist.	APIIC	221, 19-02-05	14,500 + Int. @ 12%	41.70 (up to 2/2011)	Industrial park
60	Ac. 63.74 Idupulapaya (V) Vempally (M) Kadapa Dist.	A.P Forest Development Corporation Ltd.	349 17-03-08	0.16	10.20	ECO park
Ac 11498.50				Total	255937.90	

Appendix-B
(Reference to paragraph 4.4, page 9)

Undue benefit extended while alienating Government land to various Organisations/ Institutions/ Individuals

(Rupees in lakh)

SNo	Name of the Institution	Extent of land alienated Acres	Market rate fixed by Dist. Collector (per acre)	Rate fixed by Empowered Committee (per acre)	Rate fixed by Govt. (per acre)	Total amount to be collected with reference to market rate/ empowered committee	Total amount actually collected with reference to rate fixed by Government	GO No. & Date	Undue benefit
1	Lepakshi Knowledge Hub Pvt. Ltd., Anantapur	3032.83 (562.86) Vadigepalli, Gorantla mandal (554.19), Budli village Gorantla mandal, (229.39), Kodur village, Chilamathur mandal (260.94), settipalli village, Chilamathur mandal (24.24), Koduru, Chilamathur mandal, (299.50) Chilamathur village & mandal (17.57) Hussainapur village, chilamathur (M) (314), kodur, chilamathur (68.31), Vadigepalli village, Gorantla mandal (178.81), Budli village, Gorantla mandal (163.16), kodur village, Chilamathur village (171.78), settipalli, chilamathur mandal (188.08), chilamathur V & M	1.75	1.75	0.50	5307.42	1516.42	295, 26-02-09; 1498, 12-12-08; 1502, 12-12-08; 238, 21-02-09; 1113, 16/09/08; 292, 26-02-09; 297, 26-02-09; 299, 26-02-09	3791.00

SNo	Name of the Institution	Extent of land alienated Acres	Market rate fixed by Dist. Collector (per acre)	Rate fixed by Empowered Committee (per acre)	Rate fixed by Govt. (per acre)	Total amount to be collected with reference to market rate/empowered committee	Total amount actually collected with reference to rate fixed by Government	GO No. & Date	Undue benefit
2	M/s. Gimpex Ltd. , Kodur, YSR district	100.00 Korlakunta village Obulavaripalli mandal	0.50	3.00	0.50	300.00	50.00	863, 11-07-08	250.00
3	Hyderabad Public School Society, YSR district	25.00 Putlampalli village, Kadapa mandal	3.00	3.00	1.50	75.00	37.50	607, 23-04-08	37.50
4	Gabriel Educational Society, Hyderabad	8.67 Putlampalli village, Kadapa mandal	20.00	20.00	1.50	173.40	13.00	608, 23-04-08	160.40
5	Triveni Steels, YSR dist.	50.31 Rajampet mandal, YSR dist.	0.50	0.50	0.075	25.15	3.77	701, 28-05-08	21.38
6	M/s. Aurobinda Pharma Ltd., Srikakulam	25.72 Pydibhimavaram, Chittivalasa village	25.00	10.00	5.00	643.00	128.60	245, 27-03-10	514.40
7	Gantada Ramesh, Srikakulam	5.00 Pullajipeta village, Ponduru Mandal	2.00	2.00	0.60	10.00	3.00	1449, 06-12-08	7.00
8	C. Chandrasekhar, Srikakulam	4.55 Ponduru village and Mandal	2.00	2.00	0.40	9.10	1.82	207, 20-02-09	7.28
9	APIIC – M/s. Simhapuri Energy Pvt. Ltd., SPS Nellore	1847.98 Timminapatnam and Momidi village in Chillakur mandal	4.50	1.50	0.60	8315.91	1108.79	223, 20-02-09	7207.12
10	-do-	1015.42 Timminapatnam and Momidi village in Chillakur mandal	4.50	0.60	0.60	4569.39	609.25	300, 26-02-09	3960.14
11	Laxmi Ford Co., SPS Nellore	1.21, Kakuturu village, Venkatachalam mandal	50.00	50.00	15.00	60.50	18.15	247, 29-03-10	42.35

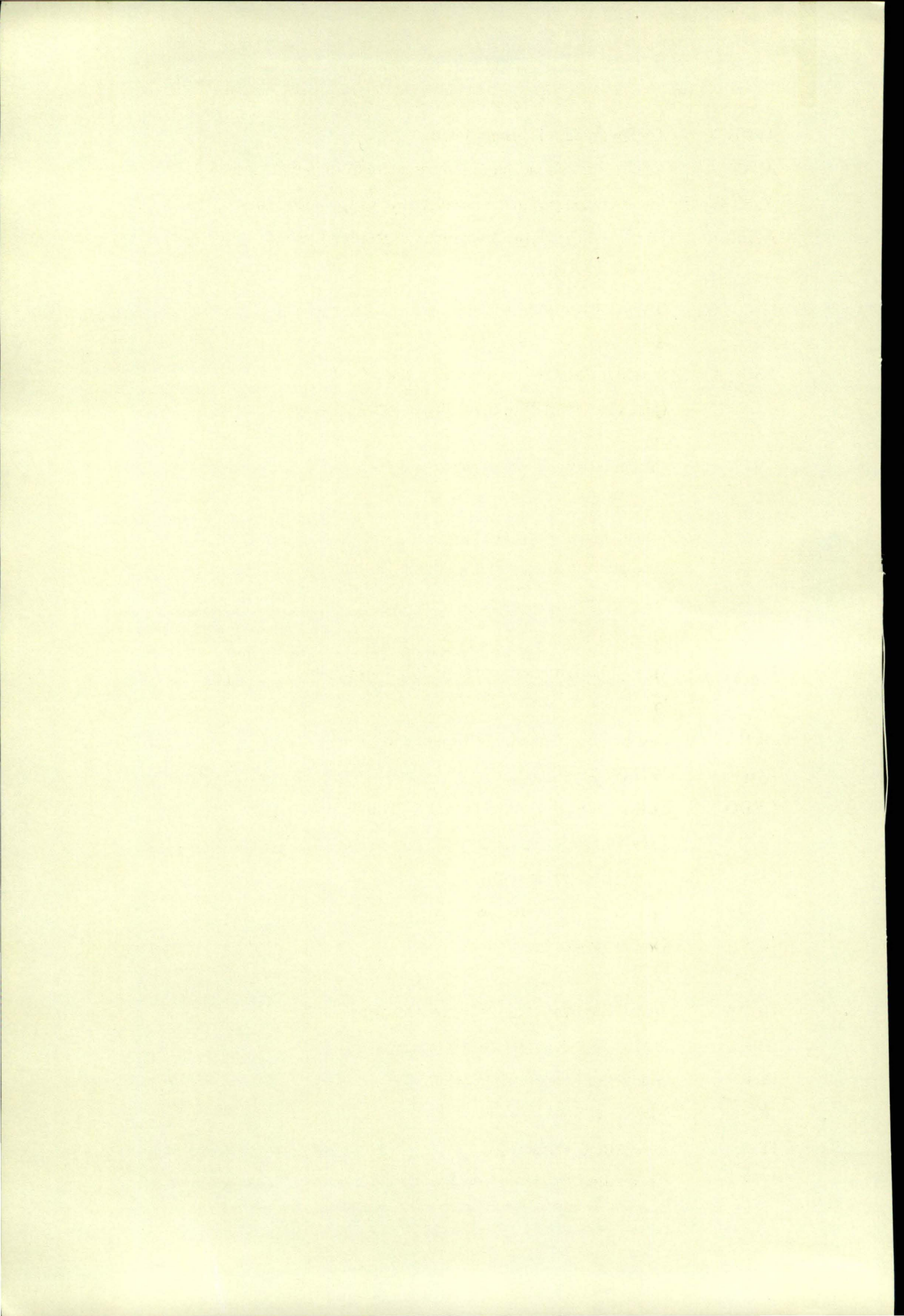
SNo	Name of the Institution	Extent of land alienated Acres	Market rate fixed by Dist. Collector (per acre)	Rate fixed by Empowered Committee (per acre)	Rate fixed by Govt. (per acre)	Total amount to be collected with reference to market rate/empowered committee	Total amount actually collected with reference to rate fixed by Government	GO No. & Date	Undue benefit
12	Pragathi Charities, SPS Nellore	5.99 Ambapuram village Nellore Mandal	7.78	7.78	1.00	46.60	5.99	910, 27-08-09	40.61
13	M/s. Pearl Breweries Pvt. Ltd., Medak	75.775 Kothlapur village, Sangareddy mandal	20.00	20.00	1.50	1515.50	113.66	410, 25-03-08	1401.84
14	APIIC – M/s. Synetics School of Business & Hospitality Management, Visakhapatnam	5.00 Koppulupada village, Bhimunipatnem mandal	411.00	150.00	29.25	750.00	146.25	218, 20-02-09	603.75
15	President, AP Congress Committee, Hyderabad	10.15 Bowenpally village Thirumalagiri mandal	1452.00	1452.00	2.00	14737.80	20.30	862, 19-08-09; 1036, 18-08-08	14717.50
16	Vasiraju Prakasam, Journalist, Hyderabad	0.0777 Jubilee Hills, Hyderabad	2904.00	2904.00	48.40	225.64	3.76	1238, 25-09-10	221.88
17	VANPIC Projects Pvt. Ltd., Guntur	407.59 Pitlavani palem mandal	2.00	2.86	1.29	1165.71	525.79	1115, 16-09-08	639.92
		4757.80 Nizampatnam mandal	2.00	2.86	1.68	13607.31	7993.11	-do-	5614.20
		285.67 Bapatla mandal	3.00	4.29	1.18	1225.52	337.09	-do-	888.43
18	APIIC, Nizamabad	429.12 Lakkampalli and Chimrajpally (V) Nandipet mandal	1.50	1.50	1.20	643.68	514.94	195, 20-02-09	128.74
19	Tirumala Hatcheries, Warangal	8.98 Rampur (V), Dharmasagar mandal, Warangal	1.00	1.00	0.26	8.98	2.33	221, 19-02-05	6.65

SNo	Name of the Institution	Extent of land alienated Acres	Market rate fixed by Dist. Collector (per acre)	Rate fixed by Empowered Committee (per acre)	Rate fixed by Govt. (per acre)	Total amount to be collected with reference to market rate/empowered committee	Total amount actually collected with reference to rate fixed by Government	GO No. & Date	Undue benefit
20	APIIC, Mamidipally, RR district.	881.32 Mamidipally, RR district	100.00	100.00	729 (lumpsum)	88132.00	729.00	261, 21-02-09	87403.00
21	M/s. Deccan Chronicle & Andhra Bhoomi Publications (DCHL), Hyderabad	1.31 Saroornagar Village and Mandal RR district	2178.00 (Auction rate of HUDA)	1452.00	338.80	2860.65	444.99	314, 26-02-09 206;27/02/09;	2415.66
22	Jagannadham Malik, Hyderabad	0.41 Hafeezpet village, Rajendranagar Mandal	1452.00	--	48.40 (lumpsum)	600.00	20.00	243, 21-02-09	580.00
23	Working President, Jawaharlal Nehru National Youth Centre, Hyderabad	5.00 Munaganoor village, Hayathnagar mandal	100.00	100.00	15.00	500.00	75.00	85, 30-01-10	425.00
24	K. Indiramma, Hyderabad	0.06 Nizampet village Qutubullapur mandal	580.00	--	194.00	35.28	11.76	164, 02/2009 849;09/07/08	23.52
25	S. Sankaraiah, Hyderabad	0.10 Nallagandla village Serilingampally mandal	726.00	726.00	242.00	72.60	24.20	93, 28-01-09	48.40
26	Genome Valley Foundation, Hyderabad	4.45 Medipally(V), Ghatkesar mandal, RR distt.	80.00	80.00	0.01	356.00	0.04	776, 24-06-08	355.96
27	Panineeya Sanskrit College	Ac. 10.33 Gaddiannaram(V),Saroornagar (M), Sy.no.103	7500 per sq.yard	7500 per sq.yard	1.5	3747.97	15.49	848, 09-07-08	3732.48
28	Whistling Woods International Ltd.	Ac 17.01, Ibrahimbagh Village, Golconda Mandal, Hyderabad, Sy No. 173, 178`	484.00	484.00	200.00	8232.84	3402	864;19/08/09	4830.84

SNo	Name of the Institution	Extent of land alienated Acres	Market rate fixed by Dist. Collector (per acre)	Rate fixed by Empowered Committee (per acre)	Rate fixed by Govt. (per acre)	Total amount to be collected with reference to market rate/empowered committee	Total amount actually collected with reference to rate fixed by Government	GO No. & Date	Undue benefit
29	IMT, Ghaziabad	Ac 30, Sy No. 38, Cherlaguda Village, Shamshabad Mandal, RR Dist	50.00	50.00	1.50	1500.00	45.00	839; 07/07/08	1455.00
30	HUDA	Ac 105.13	1500.00	1500.00	1200.00	157,695.00	126,156.00	1484; 12/12/08	31,539.00
31	Nellore District Cricket Association	Ac 22.75 Anikepalli (V), Venkatachalam (M)	2.00	--	1.00	45.50	22.75	230, 21/02/09	22.75
32	Shivanti Adityan Sports Foundation, Visakapatnam	Ac 7.08 Venkatavari Kandriga (V) Ac 5.86 Raupalem (V), Ozili (M)	1.75	--	0.50	22.65	6.47	160, 16/02/09	16.18
33	Georgia IT University	Ac. 250.00, Mutcherla(V), Kandukur (M), Sy.nLo.288	12-18.00	18.00	1.50	4500.00	375.00	553; 27/03/08	4125.00
34	Andhra Cricket Association, Vijayawada	Ac.11.65 Putlampalli(V) Kadapa District	20.00	20.00	0.01	233.00	0.12	605, 22/04/08	232.88
35	M/s Luxmi Tulasi Agro Paper Private Limited	Ac 10.00 Aswaraopet Village and Mandal, Khammam District	3.00	--	1.00	30.00	10.00	1455 6-12-08	20.00
36	APIIC, Anantapur	Ac 2593.19, Koduru (V) Chilamathur (M)	2.00	--	1.75	5186.38	4538.08	1500, 12-12-08	648.30

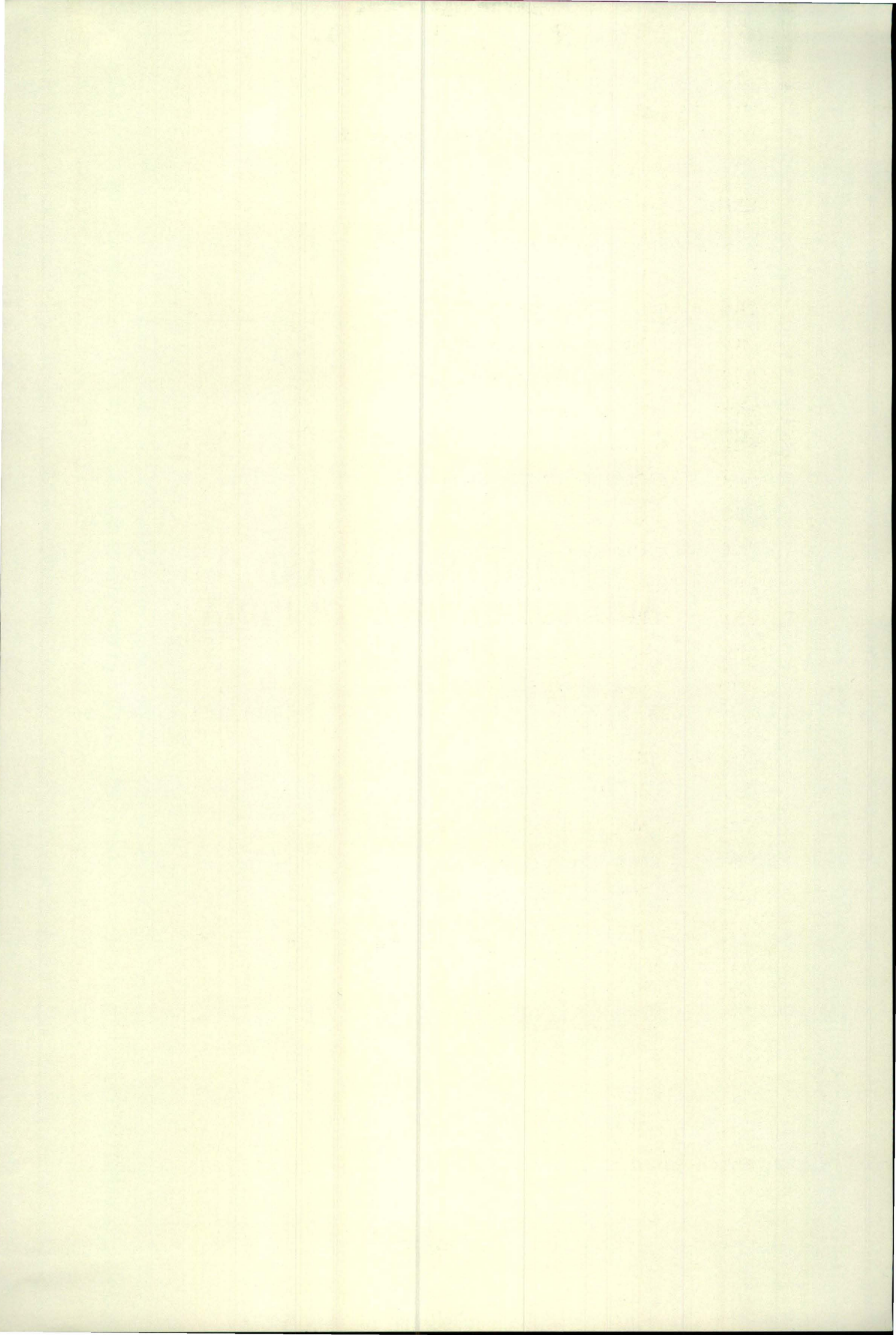
SNo	Name of the Institution	Extent of land alienated Acres	Market rate fixed by Dist. Collector (per acre)	Rate fixed by Empowered Committee (per acre)	Rate fixed by Govt. (per acre)	Total amount to be collected with reference to market rate/ empowered committee	Total amount actually collected with reference to rate fixed by Government	GO No. & Date	Undue benefit
37	APIIC, Anantapur	Ac 63.75, Naramiddepalli (V) Chilamathru (M)	2.00	--	1.75	127.50	111.56	1500, 12-12-08	15.94
38	APIIC, Anantapur	Ac 207.25, Settipalli (V) Chilamathur (M)	2.00	--	1.75	414.50	362.69	1500, 12-12-08	51.81
39	APIIC, Anantapur	Ac 50.70, Marrimekala palli (V) chilamathur (M)	2.00	--	1.75	101.40	88.73	1500, 12-12-08	12.67
40	APIIC, Anantapur	Ac 429.11, Gudipadu (V) Yadiki (M)	0.65	--	0.50	278.92	214.55	246, 21-02-09	64.37
41	APIIC Vijayawada	Ac.30.00, Sy. 192/7B, Verapaneni gudem Gannavaram Mandal	6.00	--	3.00	180.00	90.00	222 20.02.2009	90.00
Total						328267.80	149896.95		178370.85

Glossary



APHB	: Andhra Pradesh Housing Board
APIIC	: Andhra Pradesh Industrial Infrastructure Corporation Limited
APMDC	: Andhra Pradesh Mineral Development Corporation Limited
APRSCL	: Andhra Pradesh Rajiv Swagruha Corporation Limited
APSFC	: Andhra Pradesh State Finance Corporation
BIL	: Brahmani Industries Limited
BOO	: Build, Own, Operate
BSO	: Standing Orders of Board of Revenue
CAMPA	: Compensatory Afforestation Fund Management and Planning Authority
CBI	: Central Bureau of Investigation
CCLA	: Chief Commissioner of Land Administration
CCTs	: Continuous Contour Trenches
CETP	: Common Effluent Treatment Plant
DCHL	: Deccan Chronicle Holdings Limited
DD	: Draft Declaration
DILL	: Deccan Infrastructure and Land Holdings Limited
DKT	: Darakastu
DLNC	: District Level Negotiation Committee
DN	: Draft Notification
DRDO	: Defence Research Development Organisation
EAC	: Expert Appraisal Committee
FDR	: Fixed Deposit Receipts
FTWZ	: Free Trade and Warehousing zone
GOI	: Government of India
HMDA	: Hyderabad Metropolitan Development Authority
HUDA	: Hyderabad Urban Development Authority
IDBI	: Industrial Development Bank of India
IMT	: Institute of Management Technology
IP	: Industrial Park
IT	: Information Technology
ITeS	: Information Technology enabled Services

JNNYC	: Jawaharlal Nehru National Youth Centre
JV	: Joint Venture
KRITPL	: K Raheja IT Park Private Limited
LA Act	: Land Acquisition Act
LAO	: Land Acquisition Officer
LKH	: Lepakshi Knowledge Hub Private Limited
MOA	: Memorandum of Agreement
MOU	: Memorandum of Understanding
MRO	: Mandal Revenue Officer
NPV	: Net Present Value
OMC	: Obulapuram Mining Company
OSC	: Odyssey Science City
POT	: Prohibition of Transfer
PV	: Preliminary Valuation
RAK	: Ras-al-Khaimah
RCI	: Research Centre Imarath
RDO	: Revenue Divisional Officer
SC	: Solar City
SDC, LA	: Special Deputy Collector, Land Acquisition
SEZ	: Special Economic Zone
SLNC	: State Level Negotiation Committee
SPV	: Special Purpose Vehicle
ULC	: Urban Land Ceiling
VANPIC	: Vodarevu and Nizampatnam Port and Industrial Corridor Projects Private Limited
VRO	: Village Revenue Officer



**©COMPTROLLER AND
AUDITOR GENERAL OF INDIA
2011-12**