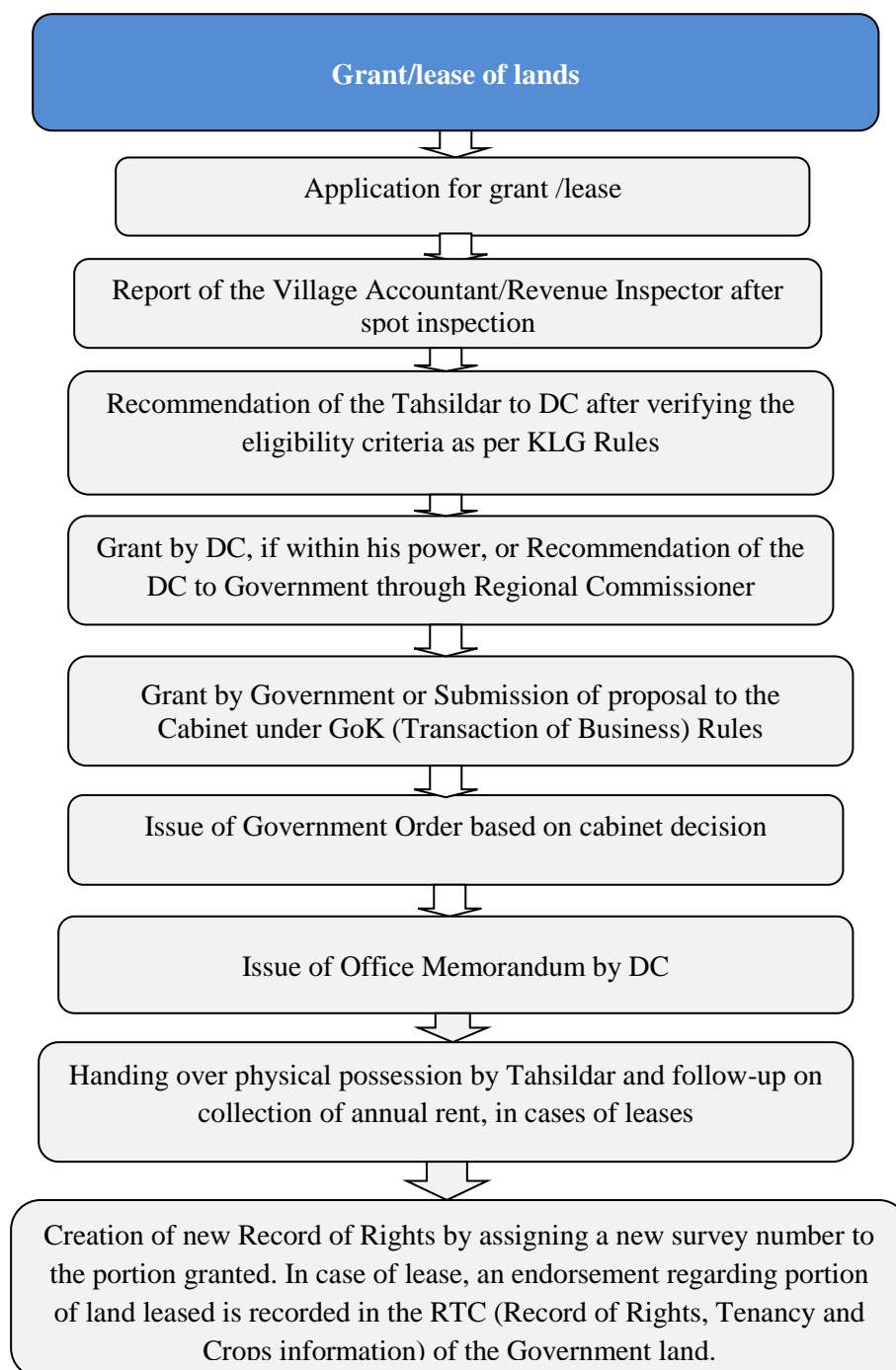


## Chapter IV

### Disposal of Government land by Grant/Lease

The process of transfer of Government land in Karnataka is governed by the KLG Rules, 1969, and the KLR Rules, 1966. The chart below depicts the flow of the Departmental process to grant/lease Government land:

Chart No.4.1 – Process for Grant/Lease of Government land



As mentioned in paragraph 3.1, the Government did not maintain a list of land available for grants or leases and hence, the person in need of land identifies the land himself and applies for grant/lease. Land is either granted or leased accordingly.

Audit examined the process right from the stage of application to the final grant to ensure compliance to the process with the Rules prescribed and also whether the process was unambiguous, transparent and judicious. Audit observations are discussed in succeeding paragraphs.

#### **4.1 Non-maintenance of separate register for applications made and received**

As per Rule 17A of the KLG Rules, on receipt of an application for grant/lease of land, the Tahsildar should cause the particulars of an application to be entered into a register for that purpose.

##### *Whether disposal of applications was fair and transparent?*

Transparency and equal opportunity in considering all applications for grant of land requires that all applications are chronologically indexed, priority criteria fixed and reasons recorded for selection of an application over another for grant/lease of Government land.

In the absence of a specific register or an electronic database to monitor receipt of applications, disposal of applications was not being monitored. The transparency in evaluating all applications uniformly *vis-a-vis* available land therefore not assessed by Audit. Besides, the risk of an out of turn consideration of application could not be ruled out.

None of the test-checked Offices of the Tahsildars maintained separate registers for indexing applications received for grant/lease. The applications were indexed in the General Register and thereafter processed separately as individual files.

The Management Information System (MIS) Reports of the Department did not include details such as applications received, recommended and pending at Tahsildar/DC/RC/Government level. Hence, Audit could not ascertain the total number of applications received, processed and pending at various stages. Information called for in this regard from the test-checked Tahsildar Offices were not furnished.

##### *Grant of lands even without application by beneficiary*

In 11 out of 320 cases checked, the due process for grant/lease of land took place without even an application from the beneficiary. In these cases, 47-21 A-G were granted/leased.

***Details in this regard are given below:***

Lease of 10 acres in January 2012 – Mythic Society <sup>13</sup> –Study of Indology, Bengaluru (North) Additional Taluk	There was no application from the beneficiary. The Government in the Exit Conference (September 2017) informed that the lease had since been cancelled
12-21 A-G <sup>14</sup> leased in December 2015 to 9 institutions in Sira Taluk for educational and charitable activities	The Regional Commissioner, while forwarding proposals for 14 institutions, indicated non-availability of applications in respect of 9 of the intended beneficiaries. However, these cases were considered and land leased in 2015 to 15 institutions ( <b><i>Annexure-II</i></b> ) by deletion of one institution proposed by Regional Commissioner and addition of two other institutions in the Government Order.  Further, the lease of land at 10 <i>per cent</i> of the Guidance Value (GV) <sup>15</sup> of the land was later converted (December 2016) as grant in all the 15 cases without charging the land cost as prescribed under Rule 22A of the KLG Rules.  The Government accepted the audit observations in the Exit Conference (September 2017).
25 acres in January 2012 to Mata Amrithanandamayi Charitable Trust, Bengaluru North Taluk	<i>Suo motu</i> proposal of Government (April 2010) for grant of 15-0 A-G land for hospital was converted into grant of 25-0 A-G for Medical College-cum Hospital. Here also, there was no application from the Trust for the grant of land for either the intended hospital or the subsequent addition of Medical College.

Grant of land even without application by the persons/institutions was deviation from set procedures. In the absence of information on all applications received and their disposal, Audit could not verify the transparent processing of all applications.

#### **4.2 Verification of eligibility of grantees**

As per Rule 17A(2) of the KLG Rules, on receipt of an application, the Tahsildar shall make such enquiry as necessary to ensure that the applicant has *bona fide* intention of using the land for the purpose for which it was sought

<sup>13</sup> Lease since cancelled in July 2017.

<sup>14</sup> *Sendivan* land – Toddy Palm Grove.

<sup>15</sup> Estimated market values of properties notified by the Central Valuation Committee for the purpose of assessment of Stamp Duty.

and if the land was available for grant, to submit a report to the DC along with connected records, viz. Checklist, Revenue Sketch of the land, Spot Inspection Report, etc.

The KLG Rules and Circulars issued by the Department *inter alia* provide for submission of adequate documentation such as permission from competent authorities for education activities, annual accounts of the institutions for five years and ensuring involvement in the education activity for a prescribed period of five years before grant/lease of Government land.

***Was eligibility of beneficiaries verified before grant/lease?***

In 27 out of 320 checked cases, Audit noticed that complete details of the applicant as prescribed under the KLG Rules/Circulars of the Department were not verified before the cases were recommended for grant/lease. Lands granted/leased in these cases involved 132-15 A-G.

As a result, land was granted to institutions, which did not have specified experience in the field of activity granted for or the bye laws of the institution did not envisage such an activity.

Further, land was granted to a political party and to an Association for residential purpose, which was not provided under the Rules.

***Details are given below:***

18-21 A-G to 11 <sup>16</sup>	institutions for educational purposes in Sira (December 2015) and Bengaluru North Additional Taluks (January 2012).	Submission of documents permitting applicants to run educational institution was not documented though required as per Circular <sup>17</sup> . Of these, in respect of two trusts, their bye-laws did not envisage education activity.
88-19 A-G to 11 <sup>18</sup>		Rule 19(2) of KLG Rules, 1969, prescribes

<sup>16</sup> **Sira Taluk**–Valmiki Nayaka Sanga (0-20), Nandini Pattina Sahakara Sanga Niyamitha (0-20), Chalavadhi Mahasaba (Arya Dravida) (0-20), Sevalal Banjara (Lambani) kshemabivridi Sanga (0-20), Arya Ediga Sanga (0-20), Kanaka Samskruthika Vedike Sanga (0-20), Balija Mahila Sanga (0-20), Chowdeshwari Medha ST Bidiru Kelasagarara Kshemabivridi Sanga (0-20), Ramakrishna Vivekananda Ashrama (4-01), Savitha Samaja (0-20) **Bengaluru North Additional Taluk** –Mythic Society (0-20).

<sup>17</sup> No. RD 126 LGP 87 dated 30 June, 1988.

<sup>18</sup> **Bengaluru North Taluk** – Srinivasa Educational and Charitable Trust (23-00), Gowtham Medical Education and Technologies (6-00), Buddha Education Society and Trust (1-29), Ragavendra Education Institutions Society (7-00), Deccan Education Society (5-30), Mathru Education Trust (8-00). **Chamarajanagara Taluk** – Buddhist Monks Charitable Trust (R) (25-00). **Chikkaballapura Taluk** – Bharatha Rathna Sir M. Visveshvaraiiah National Training Facility for Skills for All (BMVNTFSA) (10-00). **Sira Taluk** – Chalavadhi Mahasaba (Arya Dravida) (0-20), Hallikarara Sanga (1-00), Kanaka Samskruthika Vedike Sanga (0-20).

institutions for educational purposes in Bengaluru (North), Chamarajanagar, Chikkaballapura and Sira Taluks between February 2004 and January 2017.	grant of land for educational activities for institutions, which were in the field of education for a period of five years before grant of land. However, the same was not verified and documented in the cases noticed.
10-0 A-G to 2 <sup>19</sup> institutions for education and charitable purposes (September 2011/January 2013).	The trusts were granted land within one year of their registration and were not involved in education activities for five years prior to date of grant as required under Rule 19(2) of the KLG Rules, 1969.
0-15 A-G in 2 instances (October 2015) for Political party office <sup>20</sup> .	The KLG Rules do not provide for grant of land to political parties.
15-0 A-G to One Association <sup>21</sup> for residential purposes (August 2013).	The KLG Rules do not provide for grant of land to an Association for residential purposes.

Grant/lease of land without ensuring fulfilment of eligibility criteria can result in grant of lands to ineligible parties, which defeats the purpose of having such criteria for fair, bonafide grants/lease. Besides, it can also abet grabbing of Government land by the institutions/persons and result in depletion of land resource for future projects.

### 4.3 Verification of status of land before grant/lease

The process of grant/lease is well-defined by a comprehensive checklist to be filled in by the Tahsildar and forwarded to the DC, which will enable decisions regarding grant or otherwise of the land.

#### *Whether status of the land was ascertained before grant?*

In ten out of 320 cases checked, incomplete or incorrect details regarding the status of land in the checklist resulted in grant of lands, which were not available for disposal.

In all these cases, possession of the land granted/leased could not be handed over and necessitated grant of alternative land. This caused consequent delays/inconveniences to the grantees/lessees.

<sup>19</sup> Shimoga Taluk – Sree Kanaka Seva Trust (2-00). Bengaluru North Taluk – Vishwa Ganigara Samudaya Trust (8-00).

<sup>20</sup> Channapatna Taluk – District Congress Committee, Bolappanahalli (0-10), District Congress Committee, Mangalavarapete (0-05).

<sup>21</sup> Bengaluru North Additional Taluk –Karnataka Government Secretariat Group-D Employees Association (R) (15-00).

**Details are given below:**

7-00 A-G to Bengaluru Institute of Higher Education and Research (January 2014) in Bengaluru East Taluk, 170-38 A-G to 31 grantees in Ramanagar Taluk and 2-0 A-G to Dr. Vishnuvardhan Smarakha (March 2014) in Bengaluru (South) Taluk.	Land originally granted was Forest land/Forest Buffer Zone and hence necessitated grant of alternative land.
2-0 A-G granted (April 1980) to Sri. Kodimath Maha Samstha in Bengaluru North Taluk and 1-25 A-G land to Bengaluru Metropolitan Transport Corporation (April 2008) in Anekal Taluk.	Land granted was already granted for a Government housing scheme (2 acres) and to another individual in 1979-80.
1-0A-G granted (March 2016) to Syndicate Rural Self Employment Training Institute and 2-0 A-G Karnataka State Open University (February 2013) in Ballari Taluk.	Land originally granted was marked as Open Space in Comprehensive Development Plan of the town. Alternative land was granted to the institute (2017).
110-0 A-G granted (February 2013) to Indian Institute of Management in Anekal Taluk and leased 0-25 A-G to Narcotics Control Bureau (March 2013) in Bengaluru North Additional Taluk.	In both these grants, the persons whose applications under the regularisation of unauthorised occupation over the same land were pending decision, disputed the grant. Consequently, while land was not handed over to Indian Institute of Management, the Narcotics Control Bureau could not utilise the land pending decision of the Judiciary on the dispute claims filed (2014).
93-30 A-G in Ballari to BMM Ispat Ltd (July 2013).	Land could not be handed over as the same was already granted to other beneficiaries under the scheme for regularisation of unauthorised occupation.

The Government accepted the audit observations and stated that instructions for verification and complete filling of the checklist correctly would be reiterated. Government in April 2018 issued a revised checklist for collecting all information necessary for grant/lease of Government land.

#### 4.4 Assessment of land requirement/grant of excess land

Land is a valuable resource, which should be granted judiciously and in accordance with the extent required for immediate use, so as to preserve the land for future public purposes. As per Rule 21(i) of the KLG Rules, the extent of land to be granted shall be assessed keeping in view the purpose of grant, the present financial condition and the capability of the grantee institution. Besides, no land shall be granted in excess of the immediate requirement of the institution concerned. Further, as per the check list derived from the KLG Rules for grant of land, the Government shall grant/lease land duly considering the land already owned by the grantee.

##### *Whether there was a system for assessment of extent of land required?*

There was no system in place to assess the extent of land required by obtaining details of plans for immediate usage of land *vis-a-vis* available funds for construction, etc from the beneficiary institutions. In all the cases, the extent of land granted was based on the extent of land requested and/or its availability. Absence of a mechanism of assessment in this respect may result in granting land in excess of the actual requirement.

#### *Implications of non-assessment*

Audit brings out the implications of non-assessment in the form of two illustrations as shown below:

##### *Illustration No. 01: Lesser extent accepted in lieu of the original demand*

Three<sup>22</sup> beneficiaries, who were initially granted (between 2000 and 2011) 33-00A-G of land, subsequently settled (between 2012 and 2015) for 18-29 A-G.

In another<sup>23</sup> case, as against five acres applied (2010) by the beneficiary, Government sanctioned 3-20 A-G in 2012.

Possession could not be handed over in original grant due to land dispute, issues with land use pattern, etc. Grantees settled for lesser extents of land when alternative land was to be granted *in lieu* of original land. In the absence of details of the envisaged project, Audit could not verify if the beneficiaries had scaled down their project due to reduction in extent of land granted, or the reduced extent of land itself was sufficient and they had asked for extra land initially.

Further, in two<sup>24</sup> of the three cases, the original grant of 13-0 A-G was not cancelled.

<sup>22</sup> Buddha Education Society, Bengaluru Institute for Higher Education and Research, Karnataka State Government Secretariat Group 'D' Employees Association.

<sup>23</sup> National Academy for RUDSETI.

<sup>24</sup> Buddha Education Society - 6 acres in Survey No. 38, Gidadhakonenahalli village, Bengaluru North Taluk and Bengaluru Institute for Higher Education and Research - 7 acres in Survey No.109, Gunjuru village, Bengaluru East Taluk.



<b>Illustration No.02: Non-usage of lands indicating lack of immediate requirement</b>	
Three <sup>25</sup> cases totalling 50-00 A-G of land were granted/leased in 1967, 2006 and 2012 (one lease was cancelled in 2012 after lease expired in 1997).	Land was not put to use for periods of five, seven and 43 years respectively from the year of grant/lease.
10-00 <sup>26</sup> A-G leased for a period of 30 years (1967 to 1997).	Though remained unutilised for 30 years, the same land was again leased (2012) to the same entity.
58-26 A-G <sup>27</sup> of land was given in February 2007 to a contractor on lease for storage of materials utilised in the work of National Highway in Chikballapura District.	On spot verification of the land by Audit along with the Departmental Officers, it was noticed that approximately three acres of land was put to use and the remaining extent was unutilised. It was further observed that excess land available with the lessee was not retrieved back even after the work on the National Highway was completed in 2009.
Absence of mechanism to assess and monitor usage of land resulted in locking up of Government lands with the beneficiaries.	

The above cases indicate that non-assessment of land required based on proposals for execution of the project could result in grant of lands in excess of requirement and locking up of Government lands. Absence of a mechanism to assess the requirement of land could be mis-utilised by the applicants by seeking more land than needed for their immediate use. Considering the poor record maintenance by the Government, the chances of the beneficiaries disposing off the excess land without the knowledge of the Government cannot be ruled out.

**Recommendation 2 – The Government may consider instituting a mechanism to assess the exact requirement of land.**

During the Exit Conference (September 2017), the Government agreed to examine the modalities of assessing the extent of land required. Thereafter, the Government issued (January 2018) a revised Checklist which required details of land already owned by the applicant and usage of the same to be specifically recorded.

<sup>25</sup> Mythic Society, Karnataka AdiJambhava Social and Educational Trust and Golden Valley Educational Trust.

<sup>26</sup> Vokkaligara Sangha.

<sup>27</sup> M/s KNR Constructions.



#### 4.5 Grant of excess land to persons whose land were acquired for public purposes

During scrutiny of records relating to grant of alternative lands to the affected persons, whose lands were acquired for Government projects, Audit noticed two instances, wherein lands in excess of prescribed limits were granted due to non-adherence to the scales prescribed in the Grant Orders. Details are given below;

##### *Bhadra Wildlife Project, Chikkamagaluru*

Affected Persons of the Project were eligible for alternative lands at prescribed scales. Land of one, three and five acres were to be granted in lieu of acquired extents of less than one acre, one to five acres and above five acres respectively.

As per the prescribed scale, only 192 acres were to be granted to the 60 affected persons. However, due to non-adherence to the prescribed scale, 309 acres were granted to 60 persons. This resulted in excess grant of 117 acres valued at ₹ 6.02 crore. Details in *Annexure-III*.

##### *Yegachi Reservoir Project, Hassan District*

Two grantees surrendered lands measuring 12-15 A-G and 4-13 A-G respectively for the Project. As per the Government Order (1971) for land acquisition, those who lost more than four acres were entitled to one half of the land lost subject to a minimum of four acres and maximum of 10 acres, in addition to the monetary compensation.

In the instant cases, the grantees were allotted 16-00 A-G of land (four Acres in Hassan District and 12 Acres in Chikkamagaluru District) as against the entitlement of 10-7.5 A-G (6-7.5 A-G and four Acres). The Land Acquisition Officer erroneously computed land to be granted at one and a half times (instead of one half) the extent of land lost, which resulted in excess grant of 5-32.5 A-G valued at ₹ 0.23 crore. Details in *Annexure-III*.

After this was pointed out in May 2017, DC, Chikkamagaluru reported in October 2017 that excess land was given since the beneficiaries lost plantation land against which land given was *Khuski* land (dry land). However, in all these cases it was clearly stated in the Grant Certificates (*Hakku Patra*) that the lands were granted for coffee plantation crop. As per the KLR Act<sup>28</sup>, land in which plantation crops can be grown are plantation lands. Hence, grant of land suitable for coffee plantation amounted to grant of plantation land and the grant of excess land was not justified.

<sup>28</sup> Section 2(8)(d).