



**Report of the
Comptroller and Auditor General of India
General and Social Sector
Volume 3
for the year ended March 2012**



Government of Odisha
Report No. 5 of the year 2013

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

**General and Social Sector
Volume 3**

for the year ended March 2012

Government of Odisha
Report No. 5 of the year 2013

TABLE OF CONTENTS

<i>Para reference</i>	<i>Description</i>	<i>Page</i>
	Preface	v
1	Introduction	1-2
2	Performance Audits	3-71
<i>INDUSTRIES DEPARTMENT AND REVENUE & DISASTER MANAGEMENT DEPARTMENT</i>		
2.1 Acquisition and allotment of land for industrial purpose by Odisha Industrial Infrastructure Development Corporation (IDCO)		
	Executive Summary	3
2.1.1	Introduction	4-5
2.1.2	Organisational structure	5
2.1.3	Audit objectives	5-6
2.1.4	Audit criteria	6
2.1.5	Scope of audit	6
2.1.6	Audit methodology	6-7
	<i>AUDIT FINDINGS</i>	
2.1.7	Acquisition of land for industrial purpose	7-17
2.1.8	Allotment of land	17-26
2.1.9	Pricing of land	26-29
2.1.10	Utilisation of land	29-38
2.1.11	Conclusion	38-39
2.1.12	Recommendations	39
<i>HOUSING AND URBAN DEVELOPMENT DEPARTMENT</i>		
2.2 Planning and regulation of buildings including allotment of land/houses for residential purpose by Bhubaneswar Development Authority and Cuttack Development Authority		
	Executive Summary	40
2.2.1	Introduction	40-41
2.2.2	Organisational set-up	41

2.2.3	Audit objectives	42
2.2.4	Audit criteria	42
2.2.5	Scope of audit and methodology	42-43
	<i>AUDIT FINDINGS</i>	
2.2.6	Planning	43-45
2.2.7	Allotment of developed plots and buildings	45-52
2.2.8	Pricing mechanism	52-53
2.2.9	Building regulation system	53-64
2.2.10	Enforcement mechanism	64-70
2.2.11	Conclusion	70-71
2.2.12	Recommendations	71

Appendices

<i>Appendix Number</i>	<i>Description</i>	<i>Reference to</i>	
		<i>Para Number</i>	<i>Page</i>
2.1.1	Statement showing promoter wise acquisition of land invoking emergency provision	2.1.7.2	73
2.1.2	Statement showing details of promoter wise under assessment of compensation.	2.1.7.12	74
2.1.3	Statement showing the details of applications rejected on the ground of non-availability of land	2.1.8.6	75-82
2.1.4	Statement showing details of additional land allotted without recommendation of District Level Single Window Clearance Authority	2.1.8.6	83
2.1.5	Statement showing land allotted on mutual transfer during the period 2001-2012	2.1.8.8	84
2.1.6	Statement showing the list of nature of industries by the transferor and transferee in case of mutual transfer	2.1.8.8	85-86
2.1.7	Statement showing short realisation of differential cost on transfer of land to KIIT	2.1.8.9	87
2.1.8	Statement showing details of short assessment of Incidental charges (IC), ground rent (GR) and cess	2.1.9.4	88
2.1.9	Statement showing the period of outstanding dues against industrial units	2.1.9.4	89
2.1.10	Statement showing names of projects/industries who started construction activities/ constructed industry on non forest land pending forest clearance from Ministry of Environment and Forest, Government of India	2.1.10.8	90
2.1.11	Statement showing details of status of creation of green belt by the promoters of industries who had started production/partial production	2.1.10.9	91
2.2.1	Statement showing vacant plots allotted under discretionary quota	2.2.7.6	92
2.2.2	Statement showing short collection of security deposit	2.2.9.11	93-96
	Glossary of Abbreviations		97-99

Preface

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

The Report contains significant results of the Performance Audit of

- (i) Acquisition and allotment of land for industrial purpose by Odisha Industrial Infrastructure Development Corporation (IDCO),
- (ii) Planning and regulation of buildings including allotment of land/ houses for residential purpose by Bhubaneswar Development Authority and Cuttack Development Authority.

Earlier, Performance Audit of 'Allotment of land by General Administration Department in Bhubaneswar city for various purposes' covering 2000-2012 was included in a separate Report for the year ended March 2012.

In this Report, cases which came to notice in the course of Performance Audit on Acquisition and allotment of land for industrial purpose by Odisha Industrial Infrastructure Development Corporation (IDCO) for the period 2001-12 and Planning and regulation of buildings including allotment of land/ houses for residential purpose by Bhubaneswar Development Authority and Cuttack Development Authority for the period 2002-12 have been brought out.

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

1. Introduction

This Report of the Comptroller and Auditor General of India (CAG) on the Government of Odisha relates to matters arising from Performance Audit of selected programmes and activities of Government departments.

Performance Audit examines the extent to which the objectives of an organisation, programme or Scheme have been achieved economically, efficiently and effectively with due regard to ethics and equity.

In Odisha, the management of land is with General Administration (GA) and Revenue & Disaster Management (RDM) Department. The GA Department (for land in Bhubaneswar Municipal Corporation limits) and Revenue & Disaster Management (RDM) (land in other areas of Odisha) allot land to:

- (i) Bhubaneswar Development Authority (BDA), Cuttack Development Authority (CDA) for residential purpose;
- (ii) Odisha Industrial Infrastructure Development Corporation (IDCO) for industrial purpose;
- (iii) Individuals, institutions, organizations for purposes like hotels, hospitals, educational institutions etc.

BDA and CDA, upon receipt of land, either allot plots or construct buildings thereupon and allot the same to public. Similarly, IDCO upon receipt of land develops the same and allot to industries. The process of allotment of land is described in the chart given below:



A Performance Audit on ‘Allotment of land by General Administration (GA) Department in Bhubaneswar city for various purposes’ covering period 2000-12 was included in the Audit Report 2011-12.

This report contains the following two Performance Audits:

- (i) Acquisition and allotment of land for industrial purpose by Odisha Industrial Infrastructure Development Corporation (IDCO) for the period 2001-12,
- (ii) Planning and Regulation of buildings including allotment of land/ houses for residential purpose by Bhubaneswar Development Authority and Cuttack Development Authority for the period 2002-12.

The Performance Audits have been discussed in succeeding paragraphs.

**INDUSTRIES DEPARTMENT AND REVENUE & DISASTER
MANAGEMENT DEPARTMENT**

**2.1 Acquisition and allotment of land for industrial purpose by Odisha
Industrial Infrastructure Development Corporation (IDCO)**

Executive Summary

To ensure rapid industrialisation and orderly establishment of industries in the State, the Government set up Odisha Industrial Infrastructure Development Corporation (IDCO) in 1981. The State Government issued Industrial Policy Resolutions (IPRs) from time to time allowing various concessions including allotment of Government land at concessional rates to attract promoters to set up industries. Also, Orissa Industries (Facilitation), Act 2004 was enacted to make the approval process for industrial projects simpler and faster through single window clearance mechanism.

To meet the objective of rapid industrialization and orderly establishment of industries, IDCO establishes Industrial Estates at different strategic locations and provide infrastructure therein. Further, IDCO is also a nodal agency of Government for providing land to large projects which cannot come up in the Industrial Estate.

During 2001-12, IDCO allotted 29769.482 acre of private land and 16963.412 acre of Government land for 52 out of 89 MoU industries and for 54 out of 113 Non MoU industries. In 86 Industrial Estates (IEs), 4426.380 acre land was allotted to small industries up to March 2012. While 1914.921 acre land were kept reserved for common utilities in the IEs, 1894.571 acre remained unallotted as of March 2012.

Performance Audit of 'Acquisition and allotment of land for industrial purpose by Odisha Industrial Infrastructure Development Corporation (IDCO)' for the period 2001-12 revealed several systemic deficiencies such as incorrect application of public purpose clause, emergency provision for acquisition of land, assessment of compensation etc. Instances were also noticed where land was acquired on locations identified by the promoters of industries without considering the impact on agriculture, irrigation and environment.

The objective of implementation of the Land Bank Scheme to facilitate identification and transfer of land for industries remained largely unfulfilled. Absence of Regulations and criteria in allotment of land reflected lack of transparency in allotment of land /shed under Industrial Estates. Allotment of land was delayed even up to 430 days despite stipulation in Odisha Industries (Facilitation) Rules 2005 to provide assurance for allotment of land within 30 days of application. Irregularities were also noticed in mutual transfer of land by one industry to another.

Cases of short assessment due to incorrect application of prescribed rates and realisation of incidental charges, ground rent and cess on concessional rates instead of market value of land were also noticed.

Monitoring of end use of land was poor as instances of non-utilisation as well as diversion of land by small and medium industries for purposes other than intended were noticed. No action was taken to resume the unutilized land for over three years despite stipulation in the OIIDC Act. Enforcement mechanism to resume the allotted land in case of violation of conditions of lease deed was also ineffective.

2.1.1 Introduction

To develop industrial infrastructure, secure orderly establishment of industries in industrial estates/ areas of the State and assist in organisation thereof, Orissa Industrial Infrastructure Development Corporation (IDCO) was set up (March 1981) under the Orissa Industrial Infrastructure Development Corporation (OIIDC) Act, 1980. All existing Industrial Estates/ areas established at various locations in the State were placed under the management and control of IDCO upon its creation. IDCO establishes Industrial Estates at different strategic locations and provides infrastructure therein. Further, IDCO is also the nodal agency of Government for providing land to large projects which cannot come up in the Industrial Estate. As of March 2012, 86 Industrial Estates (IEs) with 8235.872 acre land were under the management and control of IDCO. In order to attract promoters to set up industries in the State, the Government in Industries Department issued Industrial Policy Resolutions (IPR) in 1992, 1996, 2001 and 2007 which, inter alia, prescribed various concessions¹.

To facilitate quick clearances for setting up of industries, the State enacted (December 2004) the 'Orissa Industries (Facilitation) Act 2004' and set up single window clearance authorities at the State and District levels to examine and approve/ reject project proposals of promoters. Categories of industries and process of allotment for these industries are described below:

- Small Scale Industries (SSIs) with proposed investment of less than ₹ 50 crore apply for allotment of land to the District Industries Centre (DIC), functioning as the Secretariat to the District Level Single Window Clearance Authority (DLSWCA), headed by the Collector. SSIs are allotted land by IDCO within its Industrial Estates on the recommendation of DLSWCA.
- Large/ mega/ heavy industries, known as MoU² and Non-MoU industries apply for allotment of land, along with proposals to set up industries, to Industrial Promotion and Investment Corporation of Orissa Limited (IPICOL), which functions as the Secretariat for both the State Level Single Window Clearance Authority (SLSWCA)³ (headed by the Chief Secretary), and High Level Clearance Authority (HLCA)⁴ (headed by the Chief Minister). The proposals for industries with investment between ₹ 50 crore to ₹ 1000 crore are considered by SLSWCA and investment of more than ₹1000 crore by the HLCA. On approval of the proposal by the above authorities, the IPICOL assesses the requirement of land for the industries and recommends the extent of land required to IDCO, which acts as requisitioning authority.

¹ Concessions such as allotment of Government land at concessional rates, exemption from stamp duty, interest subsidy, Value Added Tax/ Central Sales Tax/ entry tax exemptions etc.

² The industries who signed Memorandums of Understanding (MoU) with the Government.

³ With members such as Principal Secretaries of Agriculture, Commerce & Transport, Energy, Finance, Forest & Environment, Industry, Law, Labour & Employment, Steel & Mines, Revenue, Water Resources and Works Departments and CMDs of IDCO, GRIDCO, IPICOL and Secretary, Pollution Control Board etc.

⁴ Members being Ministers of Industry, Finance, Steel & Mines, Energy and Labour & Employment Departments/Ministries and Chief Secretary, Development Commissioner, Secretaries of Finance, Steel & Mines, Forest & Environment, Industry, Energy and Law Departments etc.

- IDCO files requisition for alienation of Government land and acquisition of private land with the Revenue and Disaster Management (RDM) Department (Tahasildars and Land Acquisition Officers/ Collectors) and with General Administration (GA) Department for land under Bhubaneswar Municipal Corporation area.
- IDCO receives the acquisition cost/ land premium at concessional IPR rate from the promoters of industries, deposits the same with the LAOs/ Tahasildars, takes possession of land on execution of lease deed with Collector and hands over the same to the promoters concerned on lease basis for tenure of 90 years under the provisions of OIIDC Act. Thus, the promoter of industry is a sub-lessee, with RDM/ General Administration (GA) Department as the main lessor.

The position of allotment of land to industries as of March 2012 is given below:

Table 2.1.1 Position of land allotted by IDCO for industrial purpose as of March 2012

(Area in acre)

	Government land	Acquired private land	Total
Land transferred by Government to IDCO for IEs	8235.872	0.000	8235.872
Alienation/ acquisition of land for MoU based industries	10104.363	20795.814	30900.177
Alienation/ acquisition of land for Non-MoU based industries	6859.049	8973.668	15832.717
Total	25199.284	29769.482	54968.766
Handed over:			
MoU based industries	10104.363	20795.814	30900.177
Non MoU Based industries	6859.049	8973.668	15832.717
In IEs to small and medium industries	4426.380	0.000	4426.380
Total handed over	21389.792	29769.482	51159.274
Reserved for future common facilities	1914.921	0.000	1914.921
Un-allotted in IEs	1894.571	0.000	1894.571

(Source: Records of IDCO)

As seen from above IDCO allotted 30900.177 acre and 15832.717 acre land to 52 out of 89 MoU and 54 out of 113 Non-MoU based industries respectively and also 4426.380 acre land to 3653 small industries in the Industrial Estates (IEs).

2.1.2 Organisational structure

The RDM Department, headed by the Secretary, is vested with the powers to issue notifications under various provisions of Land Acquisition (LA) Act, 1894 for acquisition of private land and alienation of Government land through Collectors.

IDCO which requisitions land for industrial purpose, is headed by the Chairman cum Managing Director (CMD) and assisted by Chief General Managers (CGM), Deputy General Managers (DGM) and Managers in the Corporate Office. Besides, Divisional Heads (20) function at the field level for management of 86 IEs, spread over 30 districts of the State. General superintendence, direction, management of the affairs and the business of the Corporation is vested with a Board of Directors (BoD) consisting of fifteen Directors under the chairmanship of the CMD of the Corporation.

2.1.3 Audit Objectives

Performance Audit was conducted with a view to assess whether:

- acquisition of land was as per provisions and procedures laid down in Act/Rules;
- process of allotment of land to industries was transparent and fair;
- rules for fixation of price of land for industries were in place, prices fixed were in conformity to such rules and accordingly charged from industries;
- appropriate mechanism existed for ensuring and enforcing utilisation of land for the intended purpose and was effective.

2.1.4 Audit criteria

Criteria adopted for evaluating the system of acquisition and allotment of land for industrial purpose were sourced from the following documents:

- The Orissa Industrial Infrastructure Development Corporation Act, 1980 and Rules 1981;
- The Orissa Industries (Facilitation) Act, 2004 and Rule 2005;
- Industrial Policy Resolutions 2001 and 2007;
- Land Acquisition (LA) Act, 1894 and Land Acquisition (Amendment) Act, 1984;
- Land Acquisition (Companies) Rule, 1963;
- Executive instructions and circulars issued by the State Government;
- Orissa Government Land Settlement (OGLS) Act, 1962 and Orissa Government Land Settlement Rules, 1983;
- Orissa Prevention of Land Encroachment (OPLE) Act, 1972 and OPLE Rules, 1985;
- Forest (Conservation) Act, 1980 and Environment (Protection) Rules, 1986;
- Orissa Public Premises (Eviction) Act, 1972;

2.1.5 Scope of Audit

Performance Audit was conducted during March to October 2012 covering the period 2001-12⁵ with review of land acquired and allotted to 167 small and medium industries⁶ (9 *per cent*), 28 non-MoU based (50 *per cent*) selected using Stratified Random Sampling method and all 89 MoU based industries (100 *per cent*). As the MoU based industries provided with land were scattered in 13 districts of which nine districts had already been covered in Audit during last two years, remaining four⁷ districts (total nine MoUs) were selected to examine the assessment and payment of compensation in case of private land and premium in case of Government land. Audit test checked the records of Departments like RDM, Steel & Mines, Energy, Industries and Forest & Environment and also of IPICOL, IDCO as well as eight of 12 Infrastructure Development (ID) Divisions of IDCO.

2.1.6 Audit methodology

Audit objectives, criteria, scope and methodology were discussed in Entry Conference with the Chief General Manager (Finance) and Chief General Manager (Infrastructure

⁵ Audit period was considered since major allotments for industries were made after introduction of IPR 2001 and all MoUs signed during 2002 onwards

⁶ Out of total 1890 units located in the industrial estates of IDCO.

⁷ Bolangir, Cuttack, Koraput and Rayagada since nine districts covered under Paragraph 2.2.3 of Audit Report (Civil) for the year ended March 2010, Paragraph 2.1.1.5 of Audit Report (Civil) for the year ended March 2011.

Development) of IDCO on 12 March 2012 and with the Additional Secretary, RDM Department on 25 April 2012. Since inspections by IDCO and other authorities on the status of end use of land by industries was an area of concern, joint inspections of land along with officials of IDCO and Revenue Authorities were conducted.

Audit findings were discussed with the Principal Secretary, Industries Department on 4 March 2013 and with the Principal Secretary, RDM Department in the presence of Chairman-cum-Managing Directors, IPICOL, IDCO and representatives of Departments like Steel and Mines, Energy, Industries and Forest and Environment in an Exit Conference held on 20 April 2013. Responses of the Government, wherever received, have been incorporated at appropriate places.

Audit findings

2.1.7 Acquisition of land for industrial purpose

Land acquisitions made by the Government under the Land Acquisition (LA) Act, 1894, fall distinctly under two categories, *viz.* acquisition for public purpose and other purposes. During 2002-12, Government acquired 29769.482 acre private land and provided to 52 MoU based industries (20795.814 acre) and 54 non-MoU industries (8973.668 acre). Audit examined the process of acquisition of land, assessment and payment of compensation etc. with reference to the provisions of Acts, Rules and instructions and observed the following deficiencies.

2.1.7.1 *Acquisition of land for non Government Companies under provision for 'public purpose'*

Section 3(f) of Land Acquisition (LA) Act defines 'public purpose' as provision for land, *inter-alia*, for planned development in pursuance of any Scheme or policy of the Government, improvement of existing village site, town or rural planning, provision of dwelling units to poor or land less or to persons affected by natural calamities, carrying out any educational, housing, health or slum clearance Scheme, land for a Corporation owned or controlled by the State etc, but does not include acquisition of land for Companies. Further, for non-Government companies, acquisition of land was permissible only under Section 40 and 44 B (Part VII) of LA Act, 1894 read with Land Acquisition (Companies) Rules, 1963.

Land Acquisition (Companies) Rules provide constitution of Land Acquisition Committee to advise the Government on matters relating to acquisition of land (Rule 3); acquisition to be made after company's effort to purchase land directly from the land owners on payment of reasonable price (Rule 4); acquisition of agricultural land in case of non availability of suitable alternative site subject to consultation with senior Agricultural Officer {Rule 4(2)(i)}; execution of agreement by companies with the Government not to use the land for any other purpose without approval of Government (Rule 5 ii) and resumption of land in case of misuse, non-use and partial use etc. (Rule 5 iv).

Besides, Section 6(1) (ii) of LA Act (declaration that land is required for public purpose) provide that no declaration was to be made unless the compensation to be awarded for such property is to be paid wholly or partly out of public revenues or some fund controlled or managed by a local authority.

Audit, however, noticed that in 190 LA (MoU based industries) cases test checked, RDM Department approved acquisition of 14296.56 acre private land for 33 industries (non-Government Companies) at ₹ 912.45 crore during 2002-12 under

‘public purpose’ clause, even though the circumstances did not permit the land to be acquired under public purpose as discussed below:

- Administrative approval for land acquisition was given in the name of private companies in all these cases.
- In 110 out of 190 LA cases involving 23 industries, name of the companies were mentioned in the preliminary notifications indicating that land was acquired for companies.
- In all these cases, the cost of compensation was wholly borne by the said industries and not by IDCO and the same was confirmed (January 2012) by CMD, IDCO. This indicated that the acquisitions were for industries and, therefore, the land was to be acquired under Part VII of LA Act.

Thus, provisions of the LA Act were violated resulting in bypassing the safeguards available in the LA Act, 1894 and LA (Companies) Rule, 1963 to protect the interests of land owners.

RDM Department, however, stated (April 2013) that IDCO was acquiring private land for industrial purpose, which is very much a public purpose under section 31(1) of OIINDC Act 1980. It was also stated that in the above acquisition, the public purpose clause as defined in LA Act has been fulfilled, as the cost of acquisition was fully borne by IDCO, which is a Corporation owned and controlled by the State.

The reply is not acceptable since IDCO was acquiring land for private promoters and the entire cost of acquisition was borne by the promoter concerned. Thus, land for these industries should have been acquired under Part VII of LA Act but was acquired under ‘public purpose’ to by-pass the legal provisions and procedures prescribed under part VII of LA Act and LA (Companies) Rule, 1963.

2.1.7.2 Acquisition under emergency provision

Section 17 (4) of the Land Acquisition Act and the Executive Instructions (September 1985) relating to emergency provisions, authorise the Government to dispense with the procedures laid down in Section 5 of LA Act for giving opportunity to land owners of being heard, under emergency grounds such as the public purpose for which the land was to be acquired should be achieved within a period of six months from the date of notification under section 4 (1), funds available for the public purpose were to lapse, if not spent within the prescribed time etc.

Audit noticed that in respect of 92 out of 225 test checked LA cases (190 for MoU and 35 for non-MoU) relating to 20 companies, 7025.535 acre private land was acquired at ₹ 205.65 crore during 1995-2008 (***Appendix 2.1.1***) by invoking emergency provision though none of the above grounds was fulfilled. Further examination of these LA cases by Audit revealed that:

- in all 92 cases, IDCO recommended application of emergency provisions by citing a generic reason that the projects would be executed on priority basis.
- in respect of acquisition of 4370.330 acre land in 58 LA cases, RDM Department took six to 34 months for issue of order for acquisition under Section 7 of LA Act, indicating that there was actually no necessity for invoking the emergency provision and the public purpose to be achieved within six months was not complied with.

- in 36 LA cases involving acquisition of 2845.38 acre land for 10 projects, emergency provision was approved by the Under Secretary even though such power was only vested with the Deputy Secretary and above rank Officers. Thus, approval of competent authority was not obtained in these cases though it had far reaching impact on land owners.
- in case of acquisition of 1241.070 acre land for two industries, the entire land remained unutilised/ vacant (as of March 2013) even after four to five years of handing over (July 2008 to March 2009), diluting the necessity for invoking emergency provision.



land provided to Aditya Alluminum, Rayagada remained unutilised as of March 2013

Thus, emergency provision was arbitrarily applied, contrary to the provisions of LA Act and the land owners were deprived of the rights to contest the land acquisition and protect their property due to inappropriate application of emergency provision.

The RDM Department stated (April 2013) that emergency provision was applied in all these cases based on the recommendation of the Collectors of districts concerned. The reply is not acceptable, as the RDM Department was the competent authority to examine the recommendations made by the Collectors for invoking emergency provision.

Further, Section 4 of the LA Act provides that besides the preliminary notification being published in official gazette and news paper, public notice of the substance of such notification should also be given at convenient places in the locality. Audit noticed that in seven LA cases of acquisition of 1041.13 acre land for five industries, although Government in RDM Department had not applied emergency provision, three Collectors concerned (Sundargarh, Jajpur and Jharsuguda) while serving preliminary notices under Section 4(1) in the locality mentioned that land was acquired under emergency provision and that the provisions of section 5(A) of LA Act shall not apply for the acquisition.

The Department confirmed (May 2013) that the emergency provision was applied erroneously, but stated that the right of the land owners to file objections was not taken away as two other modes of publication of notification under section 4(1) were available i.e. publication in gazette and news paper. The reply is not tenable as the public notice which was served in the locality, should not have errors in it as it was more accessible mode of communication of notification.

2.1.7.3 Acquisition of private land without providing opportunity to land owners to file objections

Section 5A of LA Act, 1894 extends right to owners of land to file any objection to the proposed acquisition of their land within 30 days from the date of publication of preliminary notification for acquisition of land under Section 4(1) of the Act. A copy of the 4(1) notification was to be served in the locality and acknowledgement of land owners/ villagers concerned were to be obtained and kept on record. The concerned Collector was to submit a report containing recommendations and record of proceedings regarding such objections to the Government for consideration. Individual notices were also to be issued to the land owners intimating the proposed

land acquisition and inviting objections to the said acquisition, as required. The Secretary of RDM department was competent to consider and dispose of objections filed by the land owners based on information furnished by the Collector concerned.

It was, however, observed that in 132 out of 190 test checked LA cases involving acquisition of 9926.23 acre private land (LA Cost ₹ 751.02 crore) for 30 industries, copy of the Section 4(1) notification which was served in the locality, did not mention any clause/ provision inviting objections under Section 5(A) of LA Act from the land owners. Reason for such omission was not found on record. Besides, individual notices were also not issued to the affected land owners, as required under Executive Instructions of the Department.

Audit examination in respect of 55 LA cases test checked relating to all the nine MoU revealed that:

- in 10 out of 15 LA cases relating to four⁸ MoU based industries, the RDM Department received Collectors' reports citing objections like existence of fertile land, inadequate compensation, lack of provision of employment, etc. from land owners. But, these reports were not considered by the Secretary and declaration to the effect that the land is required for a public purpose under Section 6 of LA Act was issued.
- in seven LA cases relating to Sahara India Power Corporation Limited, 718 objections filed by the land owners were disposed of by the Collector, Bolangir though the Secretary, RDM Department was competent to consider and dispose of the objection filed by land owners.

Thus, land owners were not given reasonable opportunity to file objections under Section 5(A) of the LA Act and were deprived of their statutory right by the Collectors/ RDM Department. Further objections, wherever received, were also not considered by the Department.

On this being pointed out, Government replied (July 2013) that all Collectors were instructed (June 2013) to strictly adhere to the provisions of Section 5A of LA Act and directed that the public notice served in the locality under Section 4(1) of LA Act must contain provision for calling of objections within 30 days. The reply does not elaborate any action which would be taken in cases cited above by Audit.

2.1.7.4 Identification of locations for setting up of industries

Industrial Policy Resolution 2007 provided for framing a comprehensive land use policy to address issues concerning identification of land for industrial and allied purposes. It also provided for creation of Land Bank identifying suitable tracts of Government land for orderly industrial growth. However, in the absence of a Land Bank for industrial use, identification of location of industries was left to the promoters of industries themselves. Such selection of locations by the industries led to delays in the acquisition process.

Out of 89 MoUs signed with different industries during 2001-12, Government agreed to specific locations as suggested by the industries themselves in 70 of them. However, no document could be produced to Audit to indicate whether the Government carried out any survey/ assessment with regard to the availability of

⁸ Tata Power Limited:4, RSB Transmission Limited: 1, KVK Nilachala Power Private Limited; 4, Visa Power Limited: 1

Government land and willingness of the private land owners to part with land at the locations suggested by the industries. The potential impact on agriculture, irrigation and environment due to selection and allotment of land for industrial purpose at these locations was also not assessed.

As the selection of site was left to the industries, there were changes of locations in case of six⁹ MoU industries. This further aggravated the delay in acquisition of land due to re-initiation of Land Acquisition proceedings for changed locations with consequential delay in setting up of the industries.

Industries Department stated (February 2013) that before the project is approved by Competent Authority, views of different Departments/ agencies dealing with raw material linkages, land, infrastructure linkages etc were sought. The reply is not tenable as RDM Department, which is nodal agency for land acquisition, stated (April 2013) that it was not associated with assessment of land and identification of sites as these are pre-acquisition exercises. This is indicative of the fact that RDM department was not consulted regarding availability of required land in the particular location/ villages identified by the industries.

2.1.7.5 Acquisition of excess land

As per Rule 4 of Land Acquisition (Companies) Rule 1963, acquisition of private land for companies was to be allowed only after the company had made its best endeavor to find land in the locality suitable for the purpose of acquisition and made all reasonable efforts to purchase such land by negotiation with the person interested therein on payment of reasonable price and such efforts have failed. The Collector holds an enquiry under Rule 4(2) and submits a report on the above to the Government for consideration.

Audit noticed that though IDCO/ IPICOL was aware that, three out of 89 industries (MGM Steels Limited, Monnet Power Limited and Monnet Ispat and Energy Limited) had directly purchased 327.81 acre land from the land owners, yet the same was not reduced from the land requirement finally assessed (1295 acre) for these industries by IPICOL.

Moreover, in the remaining 86 test checked cases, even the extent of land acquired directly by these industries was not available with IPICOL as well as IDCO. There was no mechanism either in IPICOL/ IDCO/ Industries Department to collect such information from RDM Department. A joint inspection was conducted with RDM Department and IDCO officials during which seven¹⁰ such industries intimated that they had purchased 1324.343 acre land directly from the land owners. This indicated that the Administrative and RDM Departments did not have adequate oversight over self acquired land by industries. This resulted in avoidable excess acquisition of land of farmers, mostly engaged in agriculture. RDM Department stated (April 2013) that after the matter was pointed out in Audit, the Department had taken steps to detect such cases and has initiated action thereon.

⁹ Adhunik Power and Natural Resources Limited, KVK Nilachal Power Private Limited, Sterlite Iron and Steel Company Limited, Scaw Industries Private Limited, Vijaya Ferro and Power Private Limited and Jindal Stainless Limited.

¹⁰ Ind-barath Energy (Utkal) Limited: 466 acre, Lanco Group Limited: 589.578 acre, Shiva Cement Limited: 45.16 acre, Surendra Mining (Private) Limited: 88.60 acre, Shyam Metaliks and Energy Limited: 29.02 acre, Aryan Ispat and Power Limited: 31.11 acre, ESSAR Steels Limited: 74.875 acre (Keonjhar: 47.875 acre, Paradip: 27 acre)

2.1.7.6 Acquisition of land in a piece-meal manner

MoUs for setting up industries in the State contain commitments from both the parties viz the promoters of industries and the State Government. The commitments made by the State Government, besides other concessions, include allotment of Government land at concessional rate. IPICOL was authorised to assess the land required by the industries and recommend to IDCO the quantum of land for allotment.

Audit, however, noticed that IPICOL did not make a comprehensive assessment of the land required for different components of each industry such as main plant, railway line, approach road, water pipeline, township etc and instead assessed the land requirement for each component in a piecemeal manner, as and when applied by the industry concerned. As a result, in case of five industries, though the land for main plant had been handed over, the process for land acquisition/ alienation for the other components was not initiated/ initiated with inordinate delay, resulting in over all delay in setting up of industry, as indicated in the table below:

Table 2.1.2 Submission of land acquisition proposal in piecemeal manner

Sl No.	Name of Industry	Land allotted (acre)	Period of allotment	Components for which land assessed in a piecemeal manner
1	MGM Steels Limited, Dhenkanal	62.860	November 2008 to August 2010	Main plant: 116 acre (May 2007) Water pipeline : 10 acre (June 2010)
2	Rungta Mines Limited, Dhenkanal	600.695	July 2006 to July 2008	Main plant: 600.695 acre (July 2006) Approach road 23.083 acre and Water pipe line: 18.082 acre proposal pending (March 2013). Railway siding: proposal pending for Administrative approval 78.00 acre.
3	Aditya Aluminium Limited Rayagada & Koraput	1750.08	December 2007 to March 2009	Main plant: 1750.08 acre (December 2007 to March 2009) Connecting land for Red mud pond and Ash Pond: Land not applied (March 2013)
4	GMR Energy Limited, Dhenkanal	836.410	January 2009 to April 2010	Main plant: 836.410 acre : land was allotted (April 2010) Approach road and Raw water pipe line: Under acquisition (March 2013)
5	Lanco Group Limited, Dhenkanal	6.280	March 2012	Main plant: 829.769 acre Ash pond: 381.09 acre: administrative approval not received Ash pond: 35.03 acre (January 2013). This land was applied for by the promoters belatedly.

(Source: *Joint inspection of projects and information furnished by IDCO*)

Out of the above five industries, while MGM Steels Limited had started partial production, two industries (GMR Energy Limited and Lanco Group Limited) had started construction of main plant (January 2013). However, ash pond, raw water pipeline, red mud pond, approach road, railway siding which are crucial for commercial operation of industries, was not constructed (March 2013) as these were still awaiting additional allotment of land. In case of remaining two industries, construction of main plant was not commenced.

This is indicative of lack of due diligence by IPICOL in making comprehensive assessment of land requirement. The assessment made in a piecemeal manner led to

delays in acquisition as well as delays in utilisation of land already allotted for industrial purpose. No reply was received from IPICOL or the Department on this issue (September 2013).

2.1.7.7 Acquisition of agricultural land for industries

Mention was made in Audit Report on Agriculture Department (Agriculture Wing) for the year ended March 2011 regarding acquisition of agricultural land for industries. In all cases of acquisition of agricultural land for non-Government companies, Land Acquisition (Companies) Rule, 1963 required consultation with the District Agriculture Officer.

Audit, however, noticed that in case of acquisition of 29769.482 acre private land for 37 MoU based and 54 non-MoU based industries, the District Agriculture Officers concerned were not consulted before land acquisition process was initiated, though required. Check of 47 land acquisition cases in four sampled districts revealed that out of 4210.419 acre land acquired, 3816.223 acre (91per cent), land acquired was agricultural land.

In reply RDM Department stated (July 2013) they have instructed (June 2013) all district Collectors to obtain clearance from Agriculture Department where irrigated cultivatable land is proposed to be acquired for industries.

2.1.7.8 Acquisition of irrigated land in command area of irrigation projects

As per paragraph 9.11 of IPR 2007, industries would be eligible to apply for Government/ IDCO land. In case any private land was to be acquired, all efforts were to be made to avoid acquisition of double cropped irrigated land.

Test check in Audit revealed that acquisition of 2000.695 acre irrigated land lying in command area/ ayacut of irrigation projects in case of following three MoU based industries resulted in loss of 2304.84 acre of irrigation potential, as assessed by Water Resources Department.

Table 2.1.3 Position of loss of Irrigation potential due to acquisition of ayacut area of irrigation projects

Sl. No.	Name of the Company	Private land applied by IDCO (in acre)	Private land allotted by IDCO (in acre)	Loss of irrigation potential as assessed by WR Department (Ayacut area in acre)
1	GMR Energy Limited	863.21	831.630	1136.644
2	KVK Nilachal Power Private Limited	548.021	388.981	628.196
3	Tata Power Company Limited	788.412	780.084	540.00
Total		2199.643	2000.695	2304.84

(Source: Records of IDCO and loss assessed by the WR Department available in IDCO records)

Thus, there was significant loss of irrigation potential due to acquisition of irrigated land situated in the ayacut of irrigation projects.

Audit also noticed that while acquiring land for GMR Energy Limited in Rengali Irrigation Project, the Chief Engineer concerned viewed that diversion of irrigated land for industrial purpose would not be in the interest of the State. This was, however, disregarded by Water Resources Department, who agreed for such

acquisition in all these cases subject to payment of cost of installation of Lift Irrigation projects (LIPs) for creation of equal irrigation potential.

Audit noticed that in case of GMR Energy Limited, though ₹ 3.02 crore was deposited, no irrigation potential was created and in case of KVK Nilachal Power Private Limited, no amount was demanded. In case of Tata Power Company Limited, 17 LIPs were installed out of 20 LIPs stipulated (August 2013).

On this being pointed out, RDM Department, instructed (June 2013) all district Collectors to obtain clearance from WR Department where irrigated cultivatable land is proposed to be acquired for industries.

2.1.7.9 *Acquisition of residential land of Cuttack Development Authority for industrial purpose*

Housing & Urban Development Department notified (June 2003) inclusion of 37 villages of Cuttack District in the Cuttack Development Plan Area (CDPA). Audit noticed that Tata Power Company Limited (TPCL), who signed an MoU with the State Government in September 2006 was allotted (May 2010 to August 2011) 871.427 acre land by RDM Department in four out of above 37 villages even though the area was notified to be included in the CDPA much earlier (June 2003). Besides, there was no industrial zone in the said four villages in the Comprehensive Development Plan 2012 of CDPA and most of the land was in the residential zone. Thus, land notified for residential purposes by the Development Authority for planned development of Cuttack city was irregularly allotted to an industry without consulting Cuttack Development Authority.

On this being pointed out, RDM Department stated (June 2013) that clearance from H&UD Department would be taken for acquisition of land for industrial purpose in urban areas in future. However, the Department did not initiate any action to reclaim the above 871.427 acre land which cannot be used for industrial purpose.

2.1.7.10 *Delay in completion of Land Acquisition proceedings*

Section 6(1) of Land Acquisition Act required passing of award for compensation within two years from the date of publication of declaration regarding requirement of land for public purpose, failing which the LA proceeding would automatically lapse and were to be started afresh. This would ensure that the land owners receive a higher compensation because latest market value of land on the date of publication of notification is considered for calculation of compensation. But the Government (RDM Department) prescribed (July 1959, July 1989 and February 2000) a time schedule of one year for completion of land acquisition proceedings to ensure speedy disposal of LA cases. Test check of 55 LA cases in four districts revealed that;

- In 47 LA cases (85 per cent) involving seven industries, the LA proceedings spilled over the stipulated period of one year and the LAOs took one to eight years to finalise the LA proceedings in contravention to Government orders. The effect of delay occurring at various stages not only delayed the commissioning of the industries but also deprived the land owners and the public of the intended benefits.
- In respect of 8 LA cases involving acquisition of 16.80 acre land for Aditya Aluminium Limited, the LAO was required to issue notice under Section 9 of LA Act to persons interested for claiming compensation. The notice was

issued in June 2012, however, the Government claimed that award was passed during May 2012, i.e, prior to notice under Section 9 which is not permissible.

The Collector stated (May 2013) that the award was passed in May 2012 when no person turned up during Award Enquiry under Section 9 of LA Act. The reply is not convincing as the LAO admitted (January 2013) that award cannot be passed without complying the provision of Section 9 of LA Act. This is, thus, a clear case of passing of the award on a back date, which is violative of the LA Act and resulted in extension of undue favour to the promoter of industries.

2.1.7.11 Acquisition of land after expiry of validity of MoUs

MoUs signed by Government with industries included provision for extension of the validity period of MoUs, subject to the condition that the industry made substantial progress in implementation of the project. Out of 89 MoUs examined, Audit noticed that no validity period was indicated in one case (Pallavi Power and Mines Limited) whereas in 71¹¹ cases where validity period was indicated, it had already expired as of March 2012.

Audit scrutiny of these 71 cases revealed that in case of TATA Power Company Limited, where validity of MoU expired, the Energy Department instructed (March 2010) Collector, Cuttack for halting the land acquisition process until renewal of the MoU. However no such action was taken in 10¹² industries and 2162.417 acre land was also allotted after expiry of MoUs.

On being pointed out by Audit (December 2012), the Steel and Mines Department and Energy Department stated that detailed guidelines have been framed (January and March 2013) for extension of validity period of MoUs indicating, *inter-alia*, to examine whether the investors fulfilled their commitments as per the MoUs.

2.1.7.12 Assessment of compensation

Section 23 of LA Act read with Government instructions (8 December 1971 and 16 April 1980) required that for assessing the market value of land to be acquired for payment of compensation, the LAOs were to consider highest market value of similar land in the village concerned or nearby village on the date or nearby date of publication of notification under Section 4 (1) of LA Act, unless there are strong circumstances justifying a different basis of assessment. Besides, as per the Executive Instruction 72 of RDM Department, sales, leases, previous acquisitions etc. were to be considered for fixation of market value. Further, as per Government orders of January 2008, benchmark valuation was to be considered as minimum (a floor) for fixation of market value of land. The Revenue Department (Board of Revenue), Odisha clarified (August 2010) that market value should not be less than the concessional IPR rate for calculation of ground rent and cess.

In case of seven MoU based industries, 4210.419 acre private land were acquired between May 2003 and March 2012 at ₹ 159.22 crore. Verification of records of Sub-

¹¹ Steel: 47, Power: 19, Aluminium :1, Cement; 1, Others:3.

¹² Action Ispat and Power Private Limited, Brahmani River Pellet Limited, Brand Alloys Limited, Crackers India Alloys Limited, Konark Ispat Limited, Sahara India Power Corporation Limited, Sterlite Energy Private Limited, Tata Power Company Limited, Vedanta Aluminium Limited and Visa Industries Limited.

Registrars concerned revealed that LAOs under-assessed compensation of ₹ 55.05 crore in 33 out of 55 test checked LA cases in acquisition of 2546.249 acre private land, in respect of six industries¹³(*Appendix 2.1.2*). This was due to fixation of market value of land at a rate lower than the highest sale value registered with the Sub-Registrar concerned, as discussed below:

- in six LA cases relating to Aditya Aluminium Limited, Joint Secretary, RDM department instructed the Collector to consider the market value of land of Sambalpur district (₹ 35.69 crore) for acquisition of land at Rayagada and Koraput districts even though the Collector, Koraput viewed the same as impracticable and unrealistic. As per the highest sales statistics of concerned/ adjoining villages in these two districts available with the Sub-Registrars Office concerned, the value of land works out to ₹ 49.63 crore.
- in 13 LA cases relating to two industries viz Tata Power Limited and Sahara India Power Corporation Limited, the LAOs considered bench mark value of ₹ 11.07 crore instead of ₹ 36.10 crore due to non consideration of the highest sales statistics of concerned/ adjoining villages which were available with the Sub-Registrars' Office concerned.
- in 14 LA cases relating to three industries viz Visa Power Limited, KVK Nilachal Power Private Limited, RSB Transmission Limited, the LAOs assessed compensation at ₹ 7.54 crore which was significantly lower than the amount payable (₹ 23.62 crore) as per the concessional rate prescribed in the IPR.

Besides, establishment charges applicable in the above 33 LA cases under Section 50(1) of LA Act amounting to ₹ 5.50 crore being 10 *per cent* of under-assessed compensation, could not be recovered.

RDM Department replied (July 2013) that instructions were issued (June 2013) to all district Collectors to take utmost care to consider the highest sales statistics and avoid under assessment of compensation. Collector, Rayagada also raised (February 2013) additional demand of ₹ 1.38 crore on IDCO for such under-assessed compensation. Further action from IDCO was awaited (August 2013).

2.1.7.13 Short assessment of additional compensation

Under Section 23 (1A) of the Land Acquisition Act, additional compensation at 12 *per cent per annum* on the market value of land is to be paid to land owners from the date of publication of notification under Section 4(1) to the date of award of compensation under section 11 of LA Act or the date of taking of possession of the land, whichever is earlier.

Audit test checked 55 LA cases and it was noticed that in 15 cases for acquisition of land for three industries, additional compensation, though, payable for a period ranging between 14 and 30 months (considering first date of award in each LA case),

¹³ Aditya Aluminium Limited, Koraput/ Rayagada: ₹ 13.94 crore , KVK Nilachal Power Private Limited: ₹ 7.29 crore, RSB Transmission Private Limited Limited: ₹3.48 crore, Sahara India Power Corporation Limited: ₹ 21.74 crore, Tata Power Company Limited : ₹3.29 crore and Visa Power Limited: ₹5.31 crore

was incorrectly paid for 12 months by the LAOs resulting in short payment of additional compensation ₹ 11.26 crore¹⁴ to land owners.

In reply, the Collectors of Rayagada and Koraput confirmed (November 2012) the short assessment of additional compensation and Collector Rayagada raised (February 2013) a demand of ₹ 5 crore on IDCO for payment of the same to land owners. The Collector, Cuttack assured that the matter would be examined. Further action by IDCO was awaited (August 2013).

2.1.7.14 Forfeiture of administrative/ establishment charges

As per the instructions (June 1999) of RDM Department and decision (October 2005) of IDCO, in case of withdrawal of LA proceeding and lease proposal at the request of promoters due to change of site or other reason, prescribed *percentage* of establishment cost of RDM Department/ administrative charges of IDCO ranging from zero to 100 *per cent* was to be retained by IDCO and Government, depending on the stages of withdrawal. Besides, in case of invalidation of LA proceeding due to reasons not attributable to the requisitioning authority (IDCO), a part ranging from 10 *per cent* to 20 *per cent* of the establishment cost/ administrative charges were also required to be forfeited by LAO/ IDCO.

Audit noticed that at the request of promoters, IDCO withdrew acquisition/ allotment proposal for 3565.585 acre land in respect of five¹⁵ promoters due to change of location, proposed land coming under ayacut area of irrigation projects etc. However, administrative charges of IDCO and establishment charges of Government amounting to ₹ 16.09 crore was not retained/ forfeited by IDCO, resulting in undue favour to the promoters concerned to the same extent.

In reply, IDCO stated that the administrative charges deposited by the promoters were available with IDCO and the same would be forfeited soon. Action in this regard was awaited (March 2013).

2.1.8 Allotment of land

The State Government in Industries Department formulated the Industrial Policy Resolution (IPR) 2001 as revised in IPR 2007 with the objectives to create a business climate conducive to accelerate investment in industry by making provision of land under '**Land Bank Scheme**' and allotting Government land for industrial purpose at substantially concessional rate. Section 59 of the OIIDC Act, 1980 stipulates that IDCO may, with the previous approval of the State Government, make Regulations consistent with the Act and the rules made thereunder to carry out the purposes of the Act under which IDCO may dispose of land and buildings.

As of March 2012, IDCO allotted 46732.894 acre land to 106 industries (MoU: 52 and non-MoU: 54) which included 16963.412 acre¹⁶ Government land. IDCO also allotted 4426.380 acre land in IEs to 3653 Small Scale Industries. However, IDCO was acquiring land and allotting it without framing any Regulations even after lapse of

¹⁴ Tata Power Limited, Cuttack: 4 cases (₹ 6.83 crore), Visa Power Limited, Cuttack: 3 cases (₹ 0.35 crore), Aditya Aluminium, Koraput/ Rayagada: 8 cases: (₹ 4.08 crore).

¹⁵ MGM Steels Limited: ₹ 0.02 crore, Sterlite Iron and Steel Company Limited: ₹ 15.77 crore, Tata Power Company Limited: ₹ 0.09 crore, Patnaik Steel and Alloys Limited: ₹ 0.03 crore, Mahanadi Aban Power Limited: ₹ 0.18 crore.

¹⁶ MoU: 10104.363 acre and non-MoU: 6859.049 acre.

33 years. On this being pointed out, IDCO stated (October 2013) that a draft Regulation was under process for approval of the Government.

In the absence of detailed Regulations, Audit noticed certain irregularities in the allotment process by IDCO as discussed in succeeding paragraphs:

2.1.8.1 Assessment and commitment of land

During 2001-12, Government committed to provide 86732.68 acre land to 89 MoU based industries. However, as of March 2012, 100 *per cent* committed land was provided to only two industries, more than 50 *per cent* to 22 industries and less than 50 *per cent* to 28 industries. Further, 37 industries were not given any land. This shortfall was due to change of location, delays in land acquisition, forest clearance, public resistance, court cases etc. While two industries commenced production, 27 industries started partial production as of March 2013. Thus, the objective of achieving industrial development by providing land for the purpose was not fulfilled.

2.1.8.2 Non implementation of the Land Bank Scheme

Industrial Policy Resolution 2007 provides that IDCO along with Revenue Department shall vigorously implement the 'Land Bank' Scheme announced in IPR 2001 to ensure orderly industrial growth. Under the scheme, tracts of Government land were to be identified to ensure minimum acquisition of agricultural land and earmark those exclusively for allotment and would be transferred to IDCO for industrial and infrastructure projects.

Audit, however, noticed that during 2010-13, 4.34 lakh acre Government land was identified by RDM Department in 29 out of 30 Districts, of which only 182.71 acre (0.04 *per cent*) land was transferred to IDCO during 2010-13.

This indicated that Land Bank Scheme was not functional under RDM Department/IDCO. Further, RDM Department acquires land from private owners for industries, against requisitions made by the promoters of such industries through IDCO and the respective Administrative Departments. Due to this, considerable time was taken for land acquisition in each case and thus, only two out of 89 MoU based industries were allotted land to the extent required (March 2012).

The Principal Secretary, Industries Department stated (April 2013) that the Land Bank Scheme involves three stages *viz* identification of Government land, its transfer to IDCO and its development. It was stated that transfer of identified land to IDCO had been initiated. The reply is not tenable since the Land Bank Scheme could not be operational even after six years of the notification of IPR.

2.1.8.3 Arbitrariness in allotment of land

Wherever multiple industries applied for land in the same location, due diligence was to be exercised while selecting the industry to which the said land was to be allotted.

Audit noticed that three industrial projects, i.e., KVK Nilachal Power Private Limited, GMR Energy Limited and a joint venture project of Odisha Hydro Power Corporation applied for setting up their power projects at Kamalanga village in Dhenkanal District. The HLCA instructed (May 2006) finalisation of the site by the Secretary, Energy Department and IDCO. The Secretary, after physical inspection along with authorities of Central Electricity Authority etc., proposed for allotment of this site to

the joint venture company of Odisha Hydro Power Corporation Limited, due to its excellent suitability for the project. The proposal was, however, not approved by the State Government which stated that the land was already committed to GMR Energy Limited. This was incorrect as the land at Kamalanga was not committed to GMR Energy Limited as revealed from the MoU signed with the Government on 9 June 2006. However, the site was allotted (January 2007) to GMR Energy Limited which was indicative of arbitrariness in allotment and extension of undue favour to GMR Energy Limited by accommodating the interest of private industries, compared to that of a Public Sector Undertaking.

Energy Department stated (March 2013) that Kamalanga Site was allotted to GMR Energy Limited as their application for the project was cleared by the SLSWCA first considering their project preparedness. The reply is not acceptable as HLCA, while approving the proposal of GMR, authorised the Secretary, Energy Department to finalise the exact location. The Government, while approving the site at Kamalanga in favour of GMR, did not assign any reason.

2.1.8.4 Irregular allotment of land without adherence to environmental norms

As per orders (May 1998) of Forest and Environment Department, stone crusher units should not be allowed within one kilometer proximity of habitation. This was also reiterated (February 2007) by the State Pollution Control Board.

Audit noticed that out of 100 acre land at Chhatabar IE of Khurda district, IDCO allotted 74.574 acre to 23 crusher units during 2000-02 despite the area being in close proximity to human habitation. As the allotment faced stiff resistance from the local inhabitants/ villagers due to potential air pollution and associated health hazards, stone crusher units were proposed to be moved to an alternate site and the site at Chhatabar remained vacant and unutilized (August 2013).

The Industries Department stated (April 2013) that IDCO had acquired the land with the consent of Odisha State Pollution Control Board (OSPCB) and Forest and Environment Department. Further, there was no village or habitation within one kilometer of the site and land remained unutilised as the matter relating to allotment/ cancellation of crusher units is sub-judice in the Hon'ble High Court.

Even though the department stated that there was no village or habitation within one kilometer of the site, it is evident from the correspondence of OSPCB with Forest and Environment Department that it was situated within 300-400 meters from the proposed crusher units when allotted.

2.1.8.5 Allotment of forest land without approval of Central Government

As per Section 2 of the Forest Conservation Act, 1980, no State Government or other Authority shall make, except with prior approval of Central Government, any order directing that any forest land or any portion thereof may be used for any non-forest purpose.

Audit scrutiny revealed that in two IEs (Chandaka and Mahisapat), out of 267.620 acre¹⁷ land valued at ₹ 1304.29 crore (at benchmark valuation) belonging to forest category, 259.471 acre land valued ₹ 1297.35 crore was allotted to 139 industrial units as of March 2012 without obtaining requisite clearance from the Ministry of

¹⁷ Chandaka IE: 260.620 acre and Mahisapat IE: 7 acre

Forest and Environment. Thus, forest land was irregularly allotted to industries without the approval of GoI.

IDCO replied (August 2013) that it has submitted forest diversion proposal for forest land in Chandaka IE to the Principal Chief Conservator of Forest, Odisha. In respect of forest land in Mahisapat, the Divisional Head, Angul stated (August 2012) that the Revenue Divisional Commissioner had been requested to change the Record of Rights (RoR) from forest to industrial.

However, the fact remained that the forest land was used for non-forest purposes without de-notification by the Union Government.

2.1.8.6 Allotment of land to small industries in Industrial Estates

Section 59 of the OIIDC Act stipulates that IDCO may, with the previous approval of the State Government, make Regulations specifying the terms and conditions for disposal of land and buildings and the additional terms and conditions subject to which such land and buildings in industrial estates and industrial areas may be held or used. It was however, observed that no such Regulations have been framed by IDCO.

Audit further noticed that IDCO formed (January 2004) a four member committee *i.e.*, Land Allotment Committee (LAC) under the chairmanship of CGM (Infrastructure Development) which was subsequently reconstituted (2008/ 2010) to a six/ eight¹⁸ member team under the chairmanship of Director of Industries/ Chief Secretary to deal with approvals related to allotment of all land and to accord approval for post allotment procedures such as change of constitution, mutual transfer, land use etc.

During 2001-12, LAC considered 2210 applications for allotment of land/ shed in IEs. Audit noticed that there were no criteria for consideration of applications for allotment of land due to non framing of Regulations leading to absence of transparency in such allotment as discussed under:

- LAC recommended allotment in 1245 cases while in another 714 cases, rejected the same citing reasons like routine activities, non-permissible activities, etc. with no details. Some instances are given below.
 - While land measuring 1.00 acre was provided (November 2009) in Food Processing Park (FPP), Khurda to Sujata Corporation for milk product and ice-cream manufacturing unit, in the same meeting, the application of Sriram Products for 15000 sft land for fruit drink manufacturing was rejected citing it a routine activity.
 - Whereas the application of Priyanka Enterprises for 0.345 acre land in FPP, Khurda for manufacturing of jam, jelly, sauce, and pickle was approved by the LAC in its 16 and 25 February 2008 meeting, yet the application of Bhagaban Agro Foods for 0.345 acre land in same IE for same purpose was rejected (16 and 25 February 2008) by the LAC.

¹⁸ Secretaries of Industries Department, Housing & Urban Development Department, Revenue & Disaster Management Department and Special Secretary to Government, General Administration Department, Vice-Chairman, Bhubaneswar Development Authority, Commissioner, Bhubaneswar Municipal Corporation, CMD, IPICOL and CMD, IDCO.

- 72 cases were dropped/ deferred without assigning any reason.
- Out of 2210 applications received, 158 applications were rejected during 2001-12 on grounds of non-availability of land, which was not factually correct as 196.126 acre land were available for allotment against the requirement of 232.895 acre (*Appendix 2.1.3*) in these IEs. Thus, land was not allotted to 158 prospective small industries despite availability.
- During 2001-12, in 18 cases, applications were rejected by the LAC citing the activities to be routine in nature, and hence not permissible, though another 18 cases were recommended for the same activities (such as rice mill, offset printing, fruit juice, manufacturing of corrugated box, fabrication, repairing of vehicles etc.) during the same period which indicated lack of transparency in recommendation of LAC to provide land in IEs.
- In seven out of 2210 cases, the proposals of seven allottees for 8.148 acre additional land valued ₹ 6.09 crore at IDCO rate (*Appendix 2.1.4*) were considered and approved directly by LAC without obtaining the recommendation of the DIC/ DLSWCA, which was the competent body to examine and assess the additional requirement of land by the industrial unit.

Thus, in the absence of any evaluation process, assurance on the correct application of criteria could not be derived by Audit.

The Industries Department stated (April 2013) that IDCO allotted land on the recommendation of DLSWCA and High Level Allotment Committee and that while decisions of an individual may be arbitrary, those taken by a Committee cannot be arbitrary. It also stated that additional land was allotted on the recommendation of LAC and on receipt of appropriate dues. The reply is not acceptable as the decisions by Committee were not supported by any documentation on application of any criteria/ recorded reason. Further, additional land was allotted without the approval of competent authorities *viz* DIC/ DLSWCA.

2.1.8.7 Delay in allotment of land

Sub-clause-5 of Rule 5 read with Schedule VI of the Odisha Industries (Facilitation) Rule, 2005 states that assurance for allotment of land should be given within 30 days of filing application with IDCO.

Audit noticed that applications of 657 entrepreneurs for allotment of land/ sheds in IEs were considered by LAC after 30 days and the resultant delay in allotment ranged between 15 and 30 days in 93 cases and 31 and 430 days in 564 cases. The delay was mainly due to irregular holding of LAC meetings.

Though there was no stipulation in OIIDC Act regarding periodicity of holding LAC meetings, it was quite evident that the meeting should have been conducted every 30 days since OIFA Act provides that IDCO should assure allotment of land within 30 days. But IDCO conducted only 18 LAC meetings during February 2007 to February 2011, with the highest gap of nine months between two LAC meetings between February 2009 and November 2009.

The Industries Department accepted (April 2013) the facts above and assured that LAC meetings will be held regularly in future.

2.1.8.8 Allotment by Mutual transfer of land

Land is allotted to IDCO on lease at concessional rates by RDM and GA Departments for further allotment by way of sub-lease to industries under the enabling provisions of Section 31 and 32 of OIIDC Act. During 2001-12, IDCO permitted 449 transfers from one industry to another on the basis of mutual transfer, involving 390.307 acre land by executing a tri-partite lease deed executed with both transferor and transferee industries (***Appendix 2.1.5***). Audit test checked 40 such mutual transfer cases and following deficiencies were noticed:

- The process as prescribed in OIFA for scrutiny and evaluation of the industry proposed to be set up by the transferee, was to be carried out by the concerned DLSWCA and LAC. However, this was not done in case of mutual transfer. The choice of transferee industry was made by the transferor industry, rather than IDCO in all 40 test checked mutual transfer cases (***Appendix 2.1.6***). No evaluation was carried out regarding the industry to be set up by transferee.
- Availability of land which was under consideration to be transferred and the list of industries which were to be considered for allotment of such land was not known to all entrepreneurs, thereby, diluting transparency in the process of allotment of land through transfer by IDCO.
- In 38 test checked cases, even the class of industry of the transferor and transferee were not the same, despite the fact that allotted land was to be used only for that particular class of industry (***Appendix 2.1.6***). This resulted in change of end use of land, in violation of the original lease deed.
- In view of the fact that the land was initially allotted at substantially concessional rates, there was a significant risk that the allotment through mutual transfers resulted in transferee industries paying higher land premium than the concessional rate, which accrued to transferor industries rather than to IDCO.
- In cases where land was lying unutilised, rather than resuming the land under the provision of Section 34 of OIIDC Act which could be allotted to another industry after due evaluation by LAC, IDCO permitted mutual transfers to transferee industries chosen by the transferor industries.

Thus, IDCO did not exercise adequate due diligence to ensure that the land proposed to be transferred by an industry was first resumed and then re-allotted by following evaluation criteria and to the extent possible, to the same type of industry at the prevailing concessional rate.

The Industries Department stated (April 2013) that IDCO permitted mutual transfers in view of the provisions of Sections 4, 15 and 33(3) of the OIIDC Act. It also stated that the process of resumption of land was very cumbersome and hence IDCO saves a lot of paperwork by permitting such mutual transfers.

No specific reply on the issues of transparency in allotment procedure pointed out by Audit was provided especially in view of the fact that IDCO has not framed detailed Regulation for its functioning as required under Section 59 of the Act, as detailed in ***Paragraph 2.1.8***.

A few instances of irregularities noticed in the mutual transfer process are discussed below.

- Santoshi Modern Rice Mill was allotted (October 2003) 1.496 acre land for establishment of a modern rice mill who applied (June 2007) IDCO for change of constitution from proprietorship to a partnership firm having four partners including the original proprietor, which was approved (June 2007). Subsequently, the Managing Partner intimated (January 2008) IDCO that the original proprietor retired from the partnership firm and requested for a change of land use from rice mill to software development under the name of Total Infrastructure Pvt. Limited, which was also approved (March 2008) by IDCO. This led to a mutual transfer of land on the plea of change from proprietorship to partnership firm. Audit further noticed that the land continued to remain unutilised (December 2012).

The Industries Department admitted the above facts and stated (April 2013) that since the land had not been utilised by the original lessee for the purpose intended, the allotment would be cancelled soon.

- SK Industries (SKI) was allotted (February 2003) 0.184 acre land for establishment of a paddy processing unit. Land was lying unutilised as of January 2009, when IDCO issued a show cause notice to the industry. However, on request of SKI (July 2011), land was permitted to be transferred (November 2011) to Kalinga Roofing Solution Pvt. Limited by IDCO. Thus, instead of taking proactive steps to resume land lying unutilised for more than eight years, IDCO permitted transfer of the land to another industry chosen by the transferor, whose nature of industrial activity was completely different from the purpose for which land had initially been allotted.

No reply was received from the Industries Department (August 2013).

2.1.8.9 *Shortfall in realisation of transfer fee on mutual transfer*

IDCO charges a transfer fee from the transferor industry, fixed as a percentage of the prevailing rate of land, before effecting such mutual transfers as decided by the BoD¹⁹ from time to time. Although two other entities which allot land on lease basis i.e., Cuttack Development Authority and GA Department charge 50 *per cent* of the unearned increase and 75 to 100 *per cent* of the prevailing premium respectively for industrial land allotted through transfer, IDCO permitted such transfers with only 10 *per cent* of prevailing land premium as transfer fee.

¹⁹ Full differential cost up to August 2003; 10 *per cent* of land cost at the time of application: BoD meeting dated 17 April 2006; 40 *per cent* of land cost at the time of disposal: BoD meeting dated 23 September 2009

Audit noticed the following irregularities in collection of transfer fees in such mutual transfers.

- Rawmet Ferrous Industries Private Limited (RFIPL) transferred (January 2007) 143.500 acre allotted Government land to Tata Steel Limited (TSL) by way of sale of 100 *per cent* shares to TSL on a total consideration of ₹ 43.42 crore. As per the shares sale and purchase agreement (January 2007), this included land valued at ₹ 7.91 crore at the time of transfer to TSL, against the land cost of ₹ 83.59 lakh paid by RFIPL to IDCO at the time of taking over possession (February 2005) of the land. Thus, IDCO should have charged ₹ 70.70 lakh being the transfer fee at 10 *per cent* of differential land cost at the time of transfer, which was, however, not charged.

The Industries Department admitted the above fact and stated (April 2013) that the mutual transfer fee was not realised inadvertently and assured to realise the same.

- Seven industries, allotted with land measuring 14.008 acre in Chandaka IE applied (August 2003 –December 2009) to IDCO for permission for mutual transfer in favour of Kalinga Institute of Industrial Technology (KIIT). The Sub-Committee of High Level Land Allotment Committee considered (May 2010) six²⁰ out of above seven applications and permitted the proposals for mutual transfer in principle, pending finalisation of the land rate as per the benchmark valuation fixed by the RDM Department, which was to be used to determine the transfer fee. Subsequently, CMD, IDCO permitted mutual transfer of land of seven²¹ allottees during October 2010 to December 2011 at the concessional rate prevailing in the IEs at the time of application for mutual transfer by recovering the differential land cost (₹ 3.79 crore) instead of recovering the same at the benchmark value (₹ 70.04 crore) of land though decided by HLAC. Thus, undue benefit of ₹ 66.25 crore was extended to KIIT (**Appendix 2.1.7**) due to the arbitrary decision of the CMD, IDCO. In addition, the purpose for which the industrial land was to be used was also permitted to be changed by IDCO, in violation of the original lease deeds signed with transferor industries.

The Industries Department stated (April 2013) that the cost of land as approved by its BoD was realised. The reply is not convincing as the IDCO completely ignored the decision of HLAC to charge transfer fee to be calculated on bench mark valuation without any justification.

2.1.8.10 Reservation of adjacent plots for future allotment

There is no provision in the OIIDC Act, 1980 or any rule/ guidelines regarding reservation of land for future requirement of specific allottees.

²⁰ B. Engineers & Builders Ltd., Kalinga Software (P) Ltd, Mangalchand Telecom Pvt. Ltd., PGL Plastic, Package India, Utkal Tubes.

²¹ Six and another (New Life Healthcare) approved in August 2011.

Audit scrutiny revealed that in two²² out of 167 test checked units, IDCO irregularly retained pieces of land (5.480 acre) adjacent to two industrial units reserved and subsequently allotted to the same entrepreneurs in February 2006 and between March to December 2010. It was observed during joint inspection (July 2012) that both the plots were vacant and unutilised. Thus, not only was land kept reserved irregularly, thereby denying availability to other industries, but the utilisation of the land was also not ensured.

Industries Department stated (April 2013) that while allotment of one allottee (Shreenidhi Mineral Private Limited) has already been cancelled (January 2013), in the other case (Khandagiri Pulp), the said allotment was made with the approval of the LAC. The reply is not acceptable as before allotting further land, utilisation of earlier land should have been ensured which was not done. Besides, land remaining unused for more than three years should have been resumed in terms of provisions of the OIIDC Act.

2.1.8.11 Irregular allotment of land on permissive possession

As per notification (October 1991) of the Revenue and Excise Department, permissive possession can be given for communal and sarvasadharan²³ land where lease can not be given. Audit scrutiny, however, revealed that during 2001-12, IDCO gave permissive possession of 37.562 acre land to five allottees²⁴ in Chandaka IE (37.5 acre) and Mancheswar IE (0.062 acre) although entire land so allotted was categorised in revenue records as jungle, hills and did not fall under communal/ sarvasadharan category. Further examination revealed that all these irregular permissive possession were given in these five cases for purposes such as greenery (three), bus parking (one) and golf club (one), with the approval of CMD, IDCO. One such case is discussed below:

- Out of above land, 35.535 acre in Infocity, specially developed as an IT city, was given (August 2001 and November 2010) on permissive possession by IDCO to Bhubaneswar Golf Club (BGC) for developing a golf course. A Memorandum of Agreement (MoA) was signed (September 2001) with stipulation not to construct any permanent structure thereon since the land was to be provided to software companies as and when demand arose. Audit noticed that though the land was not coming under communal or sarvasadharan category, IDCO had allotted the land on permissive possession. It was further noticed that though nine applications (May-August 2009) for allotment of 19.230 acre land were received with recommendation of DLSWCA for allotment of five acre land to set up IT industries, these units were denied (November 2009) allotment of land on the plea of non-availability of



Bhubaneswar Golf Club

²² (i)Khandagiri Pulp: 0.460 acre since March 2003 and allotted in February 2006 (ii) Shreenidhi Mineral Private Limited: 5.02 acre in August 2009 and allotted in March to December 2010.

²³ When land is classified as *nala, mahara, adi, jalasaya, tank, road, danda* but excluding *gochar land*

²⁴ Bhubaneswar Golf Club: 35.535 acre, Bhubanewar Puri Transport Services Limited: 1 (one) acre, Central Institute of Plastic Engineering and Technology: 0.758 acre, SP Refrigeration: 0.062 acre, Trident Academy of Creative Technology: 0.207 acre

land. Due to such irregular permissive possession, IT companies were deprived of land in Bhubaneswar.

Industries Department, while admitting the fact (April 2013) stated that through permissive possession, IDCO is realising rent. But the fact remains that permissive possession was only given as a transient arrangement and the land was to be vacated and allotted to IT companies when demand increases.

2.1.8.12 Irregular allotment of land in Industrial Estates

As per guideline framed and circulated by IDCO (January 2004) for allotment of land to institutions, 20 per cent area in each IE was to be earmarked for educational and professional institutions. Land was to be allotted as per guidelines prescribed by concerned Council/ Board/ University. The fact of availability of land in each IE and its reserve price was to be advertised in news papers for wide publicity and two stage bidding process was to be followed for identification of allottees of land. The reserve price of land for institutional use was to be fixed at 1.5 times of the concessional industrial rate in the IE concerned.

At the request (April 2005) of IDCO, the Collector allotted (February 2007) 34.783 acre land to IDCO in Ramachandrapur village for establishment of industries. However, IDCO allotted (July-August 2007) the entire land to one educational institution viz Centurion School of Rural Enterprise Management (CSREM) in July 2007 in Ramachdrapur of Khurda district. Audit observed that:

- Though the guidelines prescribe that open bidding was to be resorted to for allotment of land, no such steps were undertaken by IDCO before allotting land to CSREM.
- IDCO paid (March 2007) land premium of ₹ 1.04 crore (at ₹ 3 lakh per acre) to the Tahasildar concerned and in turn charged ₹ 1.21 crore as land premium from CSREM. Even the land premium rate as per IPR 2007 was ₹ 1.74 crore (at ₹ five lakh per acre). Thus, IDCO suffered substantial loss of revenue by not only failing to auction the land as required by its own Guideline but by also failing to even realise the prescribed rate of land as per IPR 2007.

In reply, IDCO stated (June 2012) that as the land was sanctioned before the effective date of IPR 2007 and clarification given by Industries Department, the land cost was fixed at ₹ 3 lakh per acre.

Reply is not tenable as the allotment was made during July 2007 and IPR 2007 was effective from March 2007. Hence, IPR 2007 rates should have been applied.

2.1.9 Pricing of land

Land is a scarce and finite natural resource. It is, therefore, essential that land acquired from private individuals or Government land alienated for use by industries, is priced in a manner reflecting its realistic economic value. IPR 2007 provided that Government land would be provided to industries at concessional rates. Audit examined the method for price fixation and charging the same from industries and observed the following deficiencies:

2.1.9.1 Non fixation of IPR rates for urban areas

Industrial Policy Resolution 2007 (Paragraph 16.2) required that the concessional rate of land in urban areas (zone A) of Bhubaneswar, Cuttack, Rourkela, Sambalpur and Paradip was to be fixed by Revenue/ GA Department in consultation with the Industries Department. As there was wide variation between the IPR rates and Bench Mark valuation, it was required to be fixed at the earliest. However, no such rates were fixed by the Revenue/ GA Department except in case of Bhubaneswar.

2.1.9.2 Non-revision of concessional price of land at Kalinganagar Industrial Complex (KNIC)

The Government, through IDCO, set up (1993-94) Kalinganagar Industrial Complex (KNIC) over 12796.228 acre (Government land: 6210.847 acre and acquired private land: 6585.381 acre) land incurring an expenditure of ₹ 127.12 crore. Audit noticed that the Industrial Infrastructure Advisory Committee (IIAC) in its 21st meeting (September 2004) approved the price of land at KNIC as ₹ 3 lakh per acre. During the period from 2005 to 2012, there was no revision of land price, as IDCO's proposal to revise land price to ₹ 7.06 lakh per acre was not accepted (December 2006) by the Government. In the meanwhile, an area of 4084.298 acre was allotted to five²⁵ MoU based industries.

Out of the above 4084.298 acre, 1029.268 acre land were allotted to four²⁶ industries with the condition that additional price of land, if any, fixed by IDCO, would be paid before handing over possession. However, possession of land was handed over (March 2007 to May 2011) without fixing the additional price. Thus, due to non revision of rate of land in KNIC for eight years (2005-2012), undue favour to the extent of ₹ 21.40 crore was extended to five industries²⁷, calculated at 10 per cent appreciation per annum over the rate approved by IIAC in 2004, as per the instructions (2003) of RDM Department regarding fixation of market value of land in case of non-availability of sales statistics.

IDCO stated (November 2012) that the issue of revision of the land rate had not been accepted by Government. Industries Department, however, did not furnish any reply (August 2013).

2.1.9.3 Short assessment of premium

In respect of lease of Government land to industries under the provisions of IPR, premium was to be paid at concessional rates prescribed in prevailing IPR.

Audit noticed that in case of alienation (September 2007) of 443.58 acre, Government land in favour of IDCO for Aditya Aluminium Limited (AAL), Koraput, IPR rate of earlier period (2001) was considered which was lower than the prevailing (2007) IPR rate applicable on the date of sanction of lease.

²⁵ Brahmani River Pellets Limited, Jindal Stainless Limited, Tata Iron and Steels Limited, VISA Steels Limited, Maithan Ispat Limited

²⁶ Brahmani River Pellets Limited, Jindal Stainless Limited, Maithan Ispat Limited, TATA Iron and Steels Limited

²⁷ Brahmani River Pellet Limited, Jindal Stainless Limited, Maithan Ispat Limited, TATA Iron and Steel Limited and VISA Steel Limited

RDM Department stated that premium was charged at ₹ 25000 per acre (IPR 2001) on the basis of the recommendations of the lease cases by the concerned Tahasildars as per circular issued (November 2007) of RDM Department.

The reply is not acceptable since sanction of lease was completed in September 2007 well before the circular issued in November 2007 and also the rate of IPR 2007 were effective from March 2007, hence, IPR 2007 rate should have been applied.

2.1.9.4 Levy, assessment and realisation of dues

In addition to land premium for allotted land, as per provisions of the OIIDC Act, Clause C under Para 4 (II) of the IDCO Manual, 1997 and the conditions of lease deeds executed by IDCO with industries, IDCO also collects incidental charges, ground rent, cess and damage rent in case of occupation of land after cancellation of allotment. Also, as per Section 57 of the OIIDC Act, the dues payable to IDCO was to be recovered as a public demand.

Audit noticed the following irregularities in assessment, levy, realisation and remittance of dues by IDCO.

- IDCO allotted (May 2006 and February 2007) 224.10 acre land to Monnet Ispat Limited (MIL). The land was not utilised and surrendered (September 2011) by the industry to IDCO, which subsequently was allotted (February 2012) to Monnet Power Company Limited (MPCL), without realising the applicable land premium of ₹ 6.00 crore and only realised ₹ 47.76 lakh towards administrative charges, thereby extending an undue benefit of ₹ 5.52 crore to MPCL.

IDCO assured (January 2013) to raise appropriate demand on the industry which was re-allotted the land. Action in this regard is awaited (June 2013).

- Test check of allotment of 1771.433 acre of Government land leased to eight MoU based industries revealed non-levy of incidental charges of ₹ 4.81 crore and short assessment of ground rent (₹ 32.55 lakh *per annum*) and cess (₹ 24.36 lakh *per annum*) as indicated in ***Appendix 2.1.8***. This resulted in recurring loss of ₹ 56.91 lakh *per annum* to Government towards ground rent and cess.

In reply, the Collector, Cuttack instructed (October 2012) the concerned Tahasildars to realise the short-assessed dues, while the Collectors of Rayagada, Koraput and Bolangir assured that the matter would be examined.

Paragraph C 4(iv) of Departmental Quality Procedure Manual of IDCO required that in the event of failure of the allottee to transfer possession of land/ plots to IDCO even after issue of cancellation order, proceedings under Odisha Public Land Encroachment (OPLE) Act was to be initiated and the occupier was to be summarily evicted. As per Clause-17 of the lease deed, damage charges @ ₹ 500 per day was to be levied for unauthorised use of land after cancellation of lease deed.

Audit noticed that in the eight sampled Divisions of IDCO, allotments of land to 258 small scale industries were cancelled during 2001-2012. Out of these 258 cases, 52 industries were functional while in the remaining 206 cases, the allotted land remained vacant. The applicable damage charges of ₹ 4.35 crore

as per clause 17 of the lease deed were not recovered from the 52 industries which continued to function despite cancellation of allotment. Further, IDCO had neither taken steps to evict the functional industries under the OPLE Act nor resumed the land in the remaining 206 cases under the OIIDC Act. Thus, failure to evict unauthorised occupiers and resume vacant land also deprived other fresh applicants from getting land in the IEs, as 158 applications were rejected on grounds of non-availability of land during 2001-12.

The Department stated (April 2013) that when the allotment of land is cancelled, lease deed between IDCO and the industry becomes inoperative and hence, realisation of damage dues as per the lease deed does not arise. The reply is not tenable as the lease deed specifically provides for levy of damage after cancellation of the lease.

- In seven out of eight sampled Divisions of IDCO, ground rent, cess and infrastructure maintenance charge of ₹ 5.54 crore remained outstanding against 2288 industries as of 31 March 2012. The periodicity of outstanding dues was more than ten years in case of 216 industries, as detailed in **Appendix 2.1.9**. In Kalinga Nagar Industrial Complex, ground rent/ cess of ₹ 2.11 crore was not realised from two²⁸ industries.

The Industries Department admitted (April 2013) the fact and stated that suitable instructions had already been issued to concerned Divisions of IDCO to file Odisha Public Demand Recovery cases for realisation of outstanding dues.

- IDCO realised (March 2004 to March 2012) ₹ 10.54 crore towards ground rent, ₹ 7.91 crore towards cess and ₹ 0.80 crore towards interest from seven²⁹ MoU based industries in Kalinga Nagar Industrial Complex (KNIC). Though as per Subsidiary Rule 6 of Orissa Treasury Code Vol-1 read with Rule 4 of Orissa General Financial Rules revenues received on behalf of Government are required to be deposited into the Public Account of the State, only ₹ 4.62 crore were deposited in violation of codal provisions resulting in short remittance of ₹ 14.63 crore. The RDM Department admitted (January 2013) the above fact.

The above deficiencies clearly highlight the absence of effective internal controls to ensure correct assessment, levy and prompt realisation of dues by IDCO. Adequate diligence in ensuring that Government dues were remitted to the Treasuries promptly, was also not exercised by IDCO.

2.1.10 Utilisation of land

Private land was acquired for use by industries at locations chosen by industries themselves. Land has also been allotted to industries at concessional rates, despite high demand from industries. As per the terms and conditions of lease deeds executed, the allotted land was to be used only for the purpose intended at the time of allotment. Further, Clause-III under para-4 of the IDCO Manual 1997 required

²⁸ Maharashtra Seamless Limited (₹ 26 lakh) and Uttam Galva Steels Limited (₹ 1.85 crore) for 2006-07.

²⁹ Brahmani River Pellet Limited, Jindal Steels Limited, Maharashtra Seamless Limited, Maithan Ispat Limited, Tata Steel, Uttam Galva Steels Limited, Visa Steel.

Divisional Offices to keep regular watch over the utilisation of allotted sheds and plots etc. by the allottee units, payment of dues and observance of other terms and conditions of allotment by them. Wherever deviations or defaults were detected, suitable notices were to be served on such defaulting units under intimation to IDCO and appropriate action was to be initiated. Therefore, effective and adequate monitoring was vital to ensure that the end use of land was actually for the industrial purpose envisaged, in order to achieve the goals of rapid industrialisation in the State.

Audit examined the monitoring mechanism with regard to process of end utilisation of land by industries and noticed the following deficiencies:

2.1.10.1 Monitoring of utilisation of land

In the MoUs signed with promoters of industries, the State Government extended tangible and substantial concessions to industries in terms of commitment of land. The promoters in turn committed to establish the industry and commence production within agreed timelines. However, Audit noticed that end utilisation of allotted land was inadequately monitored by IPICOL, IDCO and the Departments concerned.

Out of 89 MoUs signed with industries during 2001-12, 30900.177 acre land was provided to 52 of the above industries as of March 2012. Out of these 52, in case of 24 industries, more than 50 *per cent* of their land requirement had already been provided. However, in 10 out of these 24 industries, even documents related to financial closure were not submitted by the promoters as of March 2012. Financial closure was essential to establish the industry and begin utilisation of the allotted land. Only two industries had started production as of March 2013 out of the above 52 industries. The industries, thus, failed to utilise the land allotted at concessional rates within the timelines agreed to in the MoUs.

Similarly, out of 28 test checked non MoU industries which had been allotted 10664.803 acre land, only 10 industries commenced production. Progress of implementation of industries was reviewed by Industries Department, the Development Commissioner, Chief Secretary and the Minister concerned a few times³⁰ during 2007-13. However, the number of review meetings declined from 2011-12. This indicated that the monitoring of end use of land by these industries was inadequate.

Besides, provisions of IDCO Manual, 1997 required its Divisional Offices to keep regular watch over the utilisation of allotted sheds, plots in IEs, payment of dues and compliance with the terms and conditions of allotment.

The Divisional staff did not conduct any physical inspection of industrial units in the IEs during 2001-12 to ascertain the status of land use at regular intervals.

The Industries Department stated (April 2013) that exhaustive exercise has been undertaken by forming squads and follow up action will be taken.

2.1.10.2 Non-utilisation of allotted land

Section 34 of OIIDC Act provides for resumption of land by IDCO in case of non-utilisation of land. Further, the allotment orders and the lease deeds executed by IDCO required utilisation of allotted land within the period prescribed therein as well as to commence civil construction on the allotted property within six months and start

³⁰ 2006-07:2, 2007-08: 0, 2008-09: 4, 2009-10:5, 2010-11:6, 2011-12: 4 and 2012-13:2

commercial production within two/ three years from the date of possession. In the event of the breach of the above conditions, besides others, the allotment was to be cancelled and the entrepreneur would be evicted from the said premises under the provisions of OIIDC Act and the land was to be resumed.

Audit noticed that divisional staff of IDCO did not conduct regular physical inspection of industrial units to ascertain the status of land use at regular intervals leading to non-utilisation of allotted land/ sheds remaining undetected for years together. Audit further noticed that 16828.103 acre³¹ of land allotted to 1120 industrial promoters remained unutilised as of March 2012.

- In the absence of regular inspections by IDCO or the Government to ensure the end utilisation of land, Audit conducted joint inspection (July 2012/ November 2012/ January 2013) of land use by all 52 MoU based companies provided with land which revealed that 11447.449 acre land provided to 24³² MoU based industries remained unutilised and commercial production was not started by the industrial units. Thus, 8803.331 acre land allotted to 15 industries remained unutilised for more than three years. But no steps were taken by IDCO to resume the land.
- In 16 out of 28 test checked non-MoU large industries, 4694.673 acre of allotted land was left unutilised for periods ranging between two to five years.
- 685.951 acre land allotted to 1080 small industries in IEs of IDCO remained vacant for three to 30 years as of March 2013 and the land were not resumed, though required.
- As per conditions imposed (December 2003) by Land Allotment Committee of IDCO read with conditions of lease deed executed with allottees, interest at 12 *per cent per annum* was to be charged on the total land cost, if the allottee failed to implement the project within three years. In case the allottee fails to commence commercial production within two to four years of allotment of land, the allotment would be automatically cancelled and the amount deposited by the company would be forfeited.



600.695 acre land allotted to Rungta Mines Ltd. during July 2006 and September 2009 remained unutilised

³¹ MoU based: 24 (11447.449 acre), Non-MoU based: 16 (4694.673 acre), small and medium industries in IEs of IDCO: 1080 (685.981 acre).

³² Aditya Aluminium Limited, Rayagda/Koraput, Beekay Steel and Power Limited (Keonjhar), Brahmani River Pellets Limited, Brand Alloys Limited (Keonjhar), Bhusan Energy Limited, Cracker India Private Limited (Keonjhar), Essar Steel Odisha Limited Keonjhar, Jindal India Thermal Power Limited, Angul, GMR Energy Limited (Dhenkanal), Konark Ispat and Steel Limited (Jharsuguda), KVK Nilachal Power (P) Limited, Mahanadi Aban power Limited (Angul), Monnet Ispat and Energy Limited (Angul) (Power), Monnet Ispat and Energy Limited (Angul) (Steel), POSCO (India) Limited Jagatsinghpur, RSB Metaltech Private Limited, Rungta Mines Limited, Jajpur and Keonjhar, Sahara India Power Corporation Limited (Bolangir), Shiva Cement Limited (Sundergarh), Tata Power Limited (Cuttack), Tata Steel Limited, Ultra Tech Cement Limited (Cuttack), Uttam Galva Steels Limited (Keonjhar)/ Uttam Galva Steels Limited (Jajpur) and Visa Power Limited (Cuttack).

Audit noticed that three³³ out of six industries allotted (September 2005, July 2006 and July 2007) 2422.153 acre land in KNIC, though failed to implement the project/ first phase of the projects within the timeline fixed³⁴ in the lease deed, yet interest of ₹ 28.10 crore due up to September 2012 was not realised as of March 2013, though the same was recoverable as per the terms of lease deeds/ allotment orders.

Thus, due to absence of monitoring mechanism to detect cases of non utilisation, enforcement mechanism to ensure compliance to the terms and conditions of the lease deeds and provisions of the OIIDC Act for resumption of the land was lacking.

The Department while accepting (April 2013) the above facts stated that show cause notices have been served to industries which have not utilised the land as intended. But, no reply was offered as to why appropriate enforcement action such as resumption of land was not carried out as required under Section 34 of OIIDC Act.

2.1.10.3 Mis-utilisation of land

Clause-III under para-4 of the IDCO Manual 1997 required Divisions to keep regular watch over the utilisation of allotted sheds and plots etc. by the allottee units, payment of dues and observance of other terms and conditions of allotment by them. Wherever deviations or defaults were detected, suitable notices were to be served on such defaulting units by Divisions under intimation to IDCO Head office and appropriate action was to be initiated.

Audit, however, noticed that the divisional staff did not conduct regular physical inspection of industrial units to ascertain the status of land use at regular intervals leading to mis-utilisation of allotted land/ sheds remaining unnoticed for eight to thirty years in 521 cases as discussed below:

- Information furnished by IDCO revealed that 521 industrial units allotted with 219.732 acre land valued at ₹ 127.55 crore at IDCO rate in the IEs of IDCO were utilising the land for purposes other than those for which they were allotted such as hostel (20), hotel (4), godown (188), sub-letting to others (144) etc. However, IDCO did not take any steps for cancellation of the said allotment and resumption of the above land.
- Since adequate number of inspections were not conducted by IDCO, Audit conducted joint inspection (June – October 2012) of 224 small industries in Industrial Estates of IDCO to verify the end utilisation of land for the purpose of allotment and noticed that in 12 cases, the land was utilised for other purposes such as hostel and residential



Plot allotted to Blackberry Infrastructure being used as Ford Show room

³³ Brahmani River Pellets Limited (BRPL) 81.250 acre in July 2007, Tata Steel Limited: 1970.903 acre in September 2005, Uttam Galva Steels Limited (UGSL): 370.000 acre in July 2006.

³⁴ Tata Steel Limited: 4 years up to September 2009 as per lease deed to Brahmani River Pellets Limited (BRPL): three years up to July 2007 as per lease deed, Uttam Galva Steels Limited (UGSL): 370 acre: two years up to July 2008 mentioned in allotment order.

accommodation. Besides, in ten cases land allotted for different industrial purposes such as vehicle servicing and repairing, quality testing laboratory, fabrication unit etc were sub-let to other non-allottees at a consideration amount not known to IDCO.

Thus, absence of adequate inspections to monitor the end utilisation of land and deterrent enforcement action such as resumption of allotted land in case of non compliance of the same as provided in OIIDC Act and IDCO manual resulted in mis-utilisation of the allotted land by the industries concerned. The Industries Department accepted (April 2013) the facts and stated that action had been initiated against the defaulter industrial units to resume the land.

2.1.10.4 Irregular grant of right to mortgage land and issue of ‘No Objection Certificate’ to promoters

Government land is sanctioned in favour of IDCO for different industries under the provisions of OGLS Act read with Section 32 of OIIDC Act. The acquired land and Government land is leased to IDCO under Sections 31 and 32 of the OIIDC Act, 1980. IDCO, then sub leases the land to concerned industries. As Government is the primary lessor and IDCO is itself a lessee, permission of the primary lessor was to be obtained in order to confer mortgage rights to the sub lessee, i.e., the industries in order to raise loans for their industrial projects on the basis of the land allotted to them.

Audit however, noticed that:

- IDCO irregularly conferred mortgage rights in the lease deeds executed with 52 MoU based and 54 non-MoU industries while handing over of possession of 46732.894 acre land, even though such power was not vested with IDCO by the State Government.
- Besides, IDCO irregularly issued ‘No Objection Certificates’ (NOC) to 26 MoU based industries for mortgaging 13846.238 acre land allotted in order to raise loans from financial institutions, even though it was not authorised to do so. Audit further noticed that on the basis of NOCs issued by IDCO, loans of ₹ 52423.50 crore was sanctioned by financial institutions in case of 12 promoters of MoU based industries, for mortgage of 8489.828 acre of allotted land. As per information collected from these financial institutions, five out of above 12 industries have been released loan of ₹ 8625.89 crore. In case of remaining 14 industries, quantum of actual loan sanctioned/ availed on mortgage of land was not made available by IDCO to Audit.
- However, from the audited annual accounts of seven out of these 14 industries to whom NOC was given by IDCO, Audit noticed that the land was mortgaged with the financial institutions along with other fixed assets to avail a total loan of ₹ 28214.45 crore. In 32 Industrial Estates, IDCO also irregularly issued NOC to 736 small and medium industrial units allowing mortgaging land allotted to them during 2001-12.

Thus, IDCO unauthorisedly issued such NOCs, thereby enabling industries to raise loans on the basis of land allotted for industrial purpose, without adequate safeguards to ensure that such capital would actually be used in the industrial projects concerned.

RDM Department stated (April 2013) that as IDCO had not been conferred with the power for grant of such permission to industries/ promoter companies, the matter was examined in consultation with Law Department and IDCO has been advised to move the Industries Department to bring enabling provision in OIIDC Act/ Rules for the purpose. The Department also instructed IDCO to submit necessary proposal with detailed justification for examination on case to case basis.

2.1.10.5 Encroachment of land by industries

Rule 3 of Orissa Prevention of Land Encroachment (OPLE) Rules 1985 stipulate that the Revenue Inspectors (RIs) were to report cases of unauthorised occupation/ encroachment of Government land to Tahasildars and within 15 days of commencement of each financial year, was required to send a certificate that there were no further encroachment in the area under its jurisdiction except the encroachments already reported. Besides, Rule 5 of OGLS Rules 1983 required that the Tahasildar, on receipt of lease application should ascertain through verification if the land applied for is free from any encroachment. As per Section 4 of the OPLE Act 1972, in case of detection of encroachment of Government land, encroachment case is to be booked against the persons unauthorisedly occupying Government land and they are to be summarily evicted under Section 7 of the said Act.

Audit noticed that in five cases, Government land of 101.03 acre with present value approximate of ₹ 7.37 crore was encroached by four MoU and one non-MoU based industries. RDM Department stated (April 2013) that encroachment cases have been instituted, penalty realised and eviction proceedings were under process.

Similarly, Audit noticed that in 696 cases in different IEs of IDCO, 109.918 acre land valued at ₹ 56 crore at the IDCO rate, remained under encroachment by different industries/ persons other than allottee, as revealed from records of IDCO Divisions.

Some of such cases are discussed below:

- As of March 2013, 16.923 acre land remained under encroachment of KIIT. The value of such encroached land worked out to ₹ 12.69 crore³⁵ at IDCO rate. Despite being aware of such encroachment, IDCO did not take any action to evict the encroachments even after the same was pointed out in Audit. This jeopardised the opportunity for allotment of this land to other entrepreneurs, whose proposals for allotment were dropped (2005-12) in the LACs due to non-availability of land.
- Bishnu Enterprises (Kalunga Industrial Estate, Rourkela Division) was allotted one acre land in April 1984. Divisional Head, Rourkela of IDCO noticed (December 1985) that the Company encroached the adjacent 0.93 acre land and erected illegal constructions. IDCO issued notice (December 1985) to vacate the encroached land by removing all constructions within seven days. IDCO repeatedly issued show cause notices without actually taking any follow up action with the result that the land still remained under encroachment.
- After acquisition of land for setting up industrial estates, layout plans were to be prepared by IDCO, with well-designed plotting arrangements for allotment of plots to different industrial units, along with provision for roads, drains,

³⁵ ₹ 75 lakh X 16.923 acre

open spaces etc. Audit noticed that in nine out of 167 cases covering three industrial estates (Chandaka, Mancheswar and Bhagbanpur), nine plots with 12.702 acre land valued at ₹ 3.03 crore (as per IDCO rate) were locked on all sides and could not be allotted mainly due to defective preparation of layout plans like small/ narrow patch, passing of High Voltage line etc. These were found to have been encroached upon. Out of these nine units, while the encroached plots of six units were regularised during November 2009 by way of allotment in favour of the encroachers, no action was taken on the remaining three units.

Thus, absence of appropriate detection and enforcement mechanism at IDCO led to encroachment of IDCO land/ Government land by industries.

Regarding encroached land the Industries Department admitted (April 2013) the facts and stated that action will be taken to evict the encroachers and resume the land. On the issue of encroachment through land locked plots, the Department stated (April 2013) that some plots were left land locked due to mistakes committed during layout planning. It also stated that these encroachments were regularised with penalty as there was no other option. But, the fact remains that due to absence of proper reporting as well as enforcement mechanism, land was being encroached upon by industries.

2.1.10.6 Regularisation of encroachments

As per OPLE Act 1972 and Rules framed there under (Rule 7), land under encroachment cannot be regularised unless the encroacher is a landless person. Besides, the Chief Secretary, Odisha instructed (June 2010) not to regularise encroachment of land by outsiders/ trespassers and the Government in Revenue and Disaster Management Department ordered (November 2010) that the land occupied without the approval of competent authority should be treated as encroachment and was liable for eviction. Further, no Act/ Rule empower IDCO to regularise any encroachment of Government land made by promoters/ industries.

However, IDCO instructed (September 2004) its field offices to regularise encroachment of adjoining plots of IDCO by lawful tenants, if the encroached area would not affect overall planning. Further, the BoD of IDCO also decided in February 2008, February 2009 and November 2010 to regularise encroachment, though no such power were vested with the BoD.

Audit also noticed that, in eight test checked Divisions of IDCO, out of 5488.243 acre land in IEs, 36.910 acre land valued at ₹ 25.20 crore (at IDCO rate) which were encroached upon by 25 allottees were subsequently regularised contrary to the provisions of OPLE Rules and thus the same was irregular.

Two such instances are discussed below.

- 16.397 acre land valued at ₹ 12.30 crore encroached by KIIT were regularised in two phases (9.809 acre in April 2005 and 6.588 acre in July 2009) even though the same was not permissible under OPLE Act and was irregular.
- Venkateswar English Medium School (Infocity, Chandaka), a non-allottee unauthorisedly encroached upon and constructed a massive structure on IDCO land measuring 1.734 acre prior to 2006. The Sub-Committee of High Level Land Allotment Committee for Bhubaneswar Master Plan Region (BMPR) approved (August 2010) the regularisation of the encroachment deviating from

the decision (June 2010) of the Chief Secretary, Odisha as well as the decision dated 2 February 2008 of the BoD of IDCO, which decided not to regularise encroachment made by outsiders under any circumstances and was, thus, irregular.

The Industries Department stated (April 2013) that the regularisation of encroachment was made as per the decision of the BoD as per Sections 4, 14 and 15 of the OIIDC Act and no loss has occurred since IDCO is realising twice the prevailing land cost and admissible occupational charges. It also stated that area under occupation of the entrepreneur cannot be treated as encroachment but un-authorised occupation and it was regularised by levying occupation charges and land cost.

The reply is not tenable as encroached land is to be resumed after evicting the encroachers and there is no rule/provision for regularisation of encroachment. Also, such regularisation provided incentive to encroach land first and subsequently get it regularised and was thus adverse.

2.1.10.7 Eviction of encroached land

KIIT, a deemed University, applied (April 2010) for additional land of 14 acre in Chandaka IE contiguous to the land under its occupation, which were under encroachment and offered to get the same vacated from the encroachers at its risk and cost, in case the said land would be allotted to that Institute. The LAC of IDCO agreed to the same and decided (April 2010) to allot 14 acre of such encroached land to KIIT. An in-principle allotment order was also issued (October 2010) to KIIT with the stipulation to formally allot the land after eviction of the encroachers. This was despite the fact that, the BoD of IDCO in 65th meeting, *inter-alia*, decided (April 2004) not to entertain any further applications of KIIT for regularisation of any encroachment in Chandaka IE.

Similarly, IDCO allowed six entrepreneurs/ allottees³⁶ to remove encroachment from 17.838 acre land in three IEs and allotted land to two (Lexus Paint Utkal and Shree Mahaveer Ferro Alloys Private Limited) out of the above six entrepreneurs after successful removal of encroachment. Internal mechanism to evict encroachers was, thus, absent.

2.1.10.8 Utilisation of land without obtaining environmental clearance and forest diversion

Government of India in Ministry of Environment and Forests made (September 2006) environmental clearance mandatory for new projects as well as expansion and modernisation of existing industrial projects or activities like mining industry, thermal power plants, coal washery, metallurgical (ferrous and non-ferrous), cement, industrial estates, Special Economic Zones etc. Besides, provisions of paragraph 4.4 of GoI guidelines on Forest Conservation Act, 1980 required that wherever industrial projects involved use of both forest and non-forest land, no work should commence on non-forest land till the approval of the Central Government was received for release of forest land. The objective of this provision was to prevent industrial projects from commencing work on the non forest land and then seeking approval for the forest land, thus reducing the situation to a *fait accompli*.

³⁶ Kalinga Hatchery, Lexus Paint Utkal, Sairindri Enterprises, Shree Mahaveer Ferro Alloys Private Limited, Summa Real Media(P) Limited, Sai Curewell Hospital

Audit, however, noticed non-compliance with these provisions by several industries as well as absence of adequate mechanism at IDCO/ IPICOL level to watch against such non-compliance as indicated below:

- 10 MoU industries³⁷ engaged in above activities had not obtained environmental clearance from the Ministry of Environment and Forests. Audit further noticed that out of these 10 companies, while one (OCL India Limited, Jajpur) already started production, two others (Shyam Metalics and Energy Limited, Sambalpur and Deepak Steel and Power Limited, Keonjhar) started partial production (December 2012). Thus, these industries commenced production and operations without the requisite environment clearance rendering the mandatory pre-construction clearance redundant resulting in irregular diversion of forest land for industrial purpose.
- In order to verify the status of other industrial projects involving both forest and non forest land, Audit conducted Joint Inspection (July 2012 to January 2013) of land use by 52 MoU based industries and noticed that eight industries as indicated in **Appendix 2.1.10** had already commenced construction/ constructed the projects on the non-forest component of land. Approval of diversion of 533.939 acre forest land for industrial purpose had not been obtained by the above eight MoU based industries as of August 2012. Forest and Environment Department as well as IDCO had not taken any action to stop such construction.
- Audit also noticed that though F&E Department has a monitoring and enforcement mechanism for detection of construction in non-forest land, the above non-compliances to the provisions of the Forest Conservation Act were neither monitored nor followed up by the Department to stop such construction or report to MoEF for appropriate punitive action against these industries.
- Audit further noticed that in case of another industry (ESSAR Steels Orissa Limited, Keonjhar), construction activity such as laying slurry pipeline had commenced on non-forest component of land, pending approval of GoI for diversion of 84.144 ha. of forest land for the industrial project. The concerned Divisional Forest Officer (DFO), Keonjhar as well as Forest and Environment Department instructed (September/ December 2010, August 2011 and November 2011) the industry to stop construction on non-forest land and withdrew the forest land diversion proposal for entire forest land component. Despite IDCO having a Chief General Manager (Environment), such non-compliance to the provisions of Forest Conservation Act was not followed up. Thus, due to inadequate monitoring, production was also started without obtaining environment clearance and forest diversion approval.

The Forest and Environment Department confirmed that no activity relating to any industry including civil construction except fencing is permissible even in the non-forest area for industrial projects involving both forest and non forest land. However, no reason was furnished as to why the above industries started construction and commenced production without obtaining any environment clearance. The Department also did not indicate why no action was taken by the Department and

³⁷ Amtek Metal and Mining Limited, Titanium Products Private Limited, Bhusan Energy Limited, Chambal Infrastructure Ventures Limited, NSL, ASO Cement Limited, OCL India Limited, Shyam Metalics and Energy Limited, Deepak Steel and Power Limited, Crackers India (Alloys) Limited

Collectors of respective districts to stop any further construction and production activity. The Forest and Environment Department assured (May 2013) to report such violations to the MoEF for consideration and imposition of penalty. Action in this regard is awaited (August 2013).

2.1.10.9 Provision of adequate green belt

As per the environmental clearance issued by the Ministry of Environment and Forest for industries concerned, 33 *per cent* of land was to be provided for creation of green belt. Besides, IPICOL, while assessing land requirement for industries and recommending the same to IDCO for acquisition/ alienation, included 33 *per cent* land for creation of green belt. Therefore creation of adequate green belt was to be monitored by both IPICOL and IDCO.

Audit, however, noticed that both IPICOL and IDCO had no mechanism to monitor the creation of green belt in the land allotted specifically for this purpose. Out of 52 MoU based industries provided with land up to March 2012, full land was given to only two MoU based industries and partly to 50 MoU based industries of which more than 50 *per cent* of land required was handed over in 22 cases. Audit noticed that, as of March 2012, 29 industries started full/ partial production, of which adequate green belt was created by two industries (Jindal Steel and Power, Angul and Eastern Steel and Power Limited, Jharsuguda) while in respect of remaining 27 industries (**Appendix 2.1.11**) green belts were created over nil (six) and insignificant area (21)³⁸ as noticed during Joint Inspection with Revenue as well as IDCO officials. Thus, creation of green belt in the land allotted by IDCO remained unmonitored.

In reply, Forest and Environment Department stated (May 2013) that they have issued necessary instructions to the Principal Chief Conservator of Forest, Director, Environment/ Member Secretary, State Pollution Control Board to supervise/ watch development of green belt by the industries and furnish periodic report thereon.

2.1.11 Conclusion

Audit noticed several systemic deficiencies such as incorrect application of public purpose clause, emergency provision for acquisition of land, under assessment of compensation etc. Instances were also noticed where land was acquired on the locations identified by the promoters of industries without considering the impact on agriculture, irrigation and environment.

The objective of implementation of the Land Bank Scheme to facilitate identification and transfer of land for industries remained virtually unfulfilled. Absence of Regulations and criteria in allotment of land reflected lack of transparency in allotment of land /shed under industrial estates. Allotment of land was delayed even up to 430 days despite stipulation in Odisha Industries (Facilitation) Rules 2005 to provide assurance for allotment of land within 30 days of application. Irregularities were also noticed in mutual transfer of land by one industry to another.

Cases of short assessment due to incorrect application of prescribed rates and realisation of incidental charges, ground rent and cess on concessional rates instead of market value of land were also noticed.

³⁸ During JPI by Audit along with Amin/ Revenue Inspector and IDCO officials, while no green belt was found in six cases, the team on eye estimation found the plantation over few areas of 2.50 acre to 5 acre in 4 cases and in scattered plantation over few patches in 17 cases

Monitoring of end use of land was poor as instances of non-utilisation as well as diversion of land by small and medium industries for purposes other than intended were noticed. No action was taken to resume the unutilised land for over three years despite stipulation in the OIIDC Act. Enforcement mechanism to resume the allotted land in case of violation of conditions of lease deed was also ineffective.

2.1.12 Recommendations

Based on above findings, Audit recommends that Government may take steps as under:

- A comprehensive procedure for identification, acquisition, allotment and usage of land for industrial promoters as well as specific guidelines and criteria for signing MoUs with promoters may be formulated;
- Compliance to provisions of Land Acquisition Act, Land Acquisition (Companies) Rule 1963 and other Act during acquisition of land for non-Government companies may be ensured;
- Realisation of under assessed compensation/ Government dues from promoters may be ensured and paid to the land owners;
- Compliance with environment norms should be ensured in acquisition and utilisation of land;
- All cases of irregularities in allotment, misutilisation and non-resumption of land remaining unused beyond MoU/ lease period may be reviewed and resumption done wherever necessary within a definite time frame.

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

2.2 Planning and Regulation of buildings including allotment of land/houses for residential purpose by Bhubaneswar Development Authority and Cuttack Development Authority

Executive Summary

Bhubaneswar Development Authority (BDA) and Cuttack Development Authority (CDA) were created with the objective to ensure planned and systematic development of areas coming under their municipal jurisdictions. Both the Development Authorities (DAs) undertake planning, Regulation and allotment of plots/ building for residential as well as commercial use in their respective Plan Areas.

Performance Audit of 'Planning and Regulation of buildings including allotment of land/ houses for residential purpose by Bhubaneswar Development Authority and Cuttack Development Authority' was conducted for the period 2002-12 to ascertain effectiveness of city planning, Regulation and management of land/ building for residential use by the DAs.

Audit noticed that there was inordinate delay in preparation of Comprehensive Development Plans and non-preparation of Zonal Development Plans. This resulted in mixed land use patterns and disorderly development of the cities.

Allotment process was not transparent. Cases of multiple allotments of plots/houses made to individuals/ their spouses were noticed. Further, transfer of plots/ houses permitted without execution and registration of lease deeds were also noticed.

There were delays in approval of building plans. Norms and standards of Building Regulations were not complied with. A scheme providing one time concession to the owners to regularise unauthorised/ irregular constructions was not implemented effectively.

There was lack of monitoring mechanism:

- i. to detect deviations in constructions;*
- ii. to detect diversion of end use of building;*
- iii. on enforcement action to evict encroachers of land and*
- iv. to remove deviated construction or resume unutilised plots.*

2.2.1 Introduction

Land is a scarce resource. This valuable resource is managed in Odisha by the State Government through Revenue and Disaster Management (RDM) Department except in Bhubaneswar city where General Administration (GA) Department undertakes the management of land. Government land required for residential and other purposes within the city limits of Bhubaneswar and Cuttack are leased by GA and RDM Departments to Bhubaneswar Development Authority (BDA) and Cuttack Development Authority (CDA) on payment of

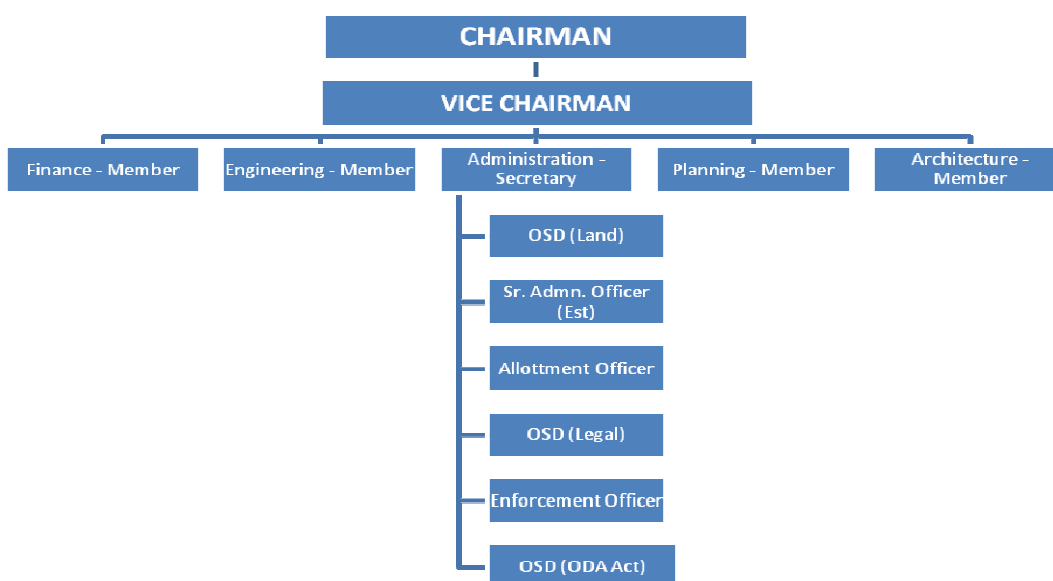
prescribed premium and the same after development are further leased to public by these authorities. The process of allotment of land to both the Development Authorities (DAs) has been explained in para 1.

Bhubaneswar Development Authority and Cuttack Development Authority were established by the Government in 1983 under the Orissa Development Authorities (ODA) Act, 1982 with the objective to ensure planned and systematic development of areas under their respective jurisdictions.

- Both the DAs function as planning agencies for the urban area under their jurisdiction and prepare Comprehensive Development Plans and Zonal Development Plan (ZDP) for each zone within their respective Development Planning areas. The main objective of Comprehensive Development Plan is to prepare up to date urban land use map as well as physical development plan to regulate and guide urban growth in the region.
- The DAs, as regulators of their respective development planning areas, formulate Planning and Building Standards Regulations (PBSR) in consonance with the ODA Act, which lay down norms and standards for construction of buildings and ensure enforcement thereof as per the ODA Act.
- The DAs, as developers, take possession of land allotted to them by Government, develop the same into various plots/houses and allot these plots and houses on lease basis to public for residential as well as commercial use.

2.2.2 Organisational set-up

The DAs function under the Housing & Urban Development (H&UD) Department headed by the Minister of H&UD, who also acts as the Chairperson of these Authorities. The Organogram of the Authority concerned is shown below:



2.2.3 Audit objectives

Performance Audit was carried out to assess whether:

- Both DAs formulated timely and adequate plans for orderly development of respective cities and ensured its effective implementation;
- Allotment of plots/ buildings by DAs was transparent, non-arbitrary, equitable and utilised as intended within the prescribed time period;
- Rules for fixation of price of plots/ buildings for various categories of allottees were in place and prices fixed were adequate and in adherence to such Rules.
- Building plan approvals were granted in compliance with PBSR;
- Enforcement mechanism was effective and efficient to prevent and evict unauthorised construction;

2.2.4 Audit criteria

Criteria for audit were drawn from following documents:

- The Orissa Development Authorities Act, 1982;
- The Orissa Development Authorities Rules, 1983;
- The Orissa Government Land Settlement Rules, 1983;
- BDA (Planning and Building Standards) Regulation, 2001 and 2008;
- CDA (Planning and Building Standards) Regulation, 2001;
- The Indian Stamp Act, 1899;
- Gazette Notifications, circulars and instructions issued by the State and Central Government;
- Terms and conditions of housing schemes developed by the Authorities.

2.2.5 Scope of audit and methodology

Performance Audit was conducted during March 2012 to February 2013 for the period 2002-12 with Entry Conferences held with the Vice-Chairman (VC) of the Bhubaneswar Development Authority on 28 February 2012 and with the VC of Cuttack Development Authority on 13 September 2012, in which the audit objectives, criteria, scope and methodology were discussed and agreed to.

For Bhubaneswar Development Authority, Audit examined building plan approvals of 61 high rise buildings, 136 Apartment Buildings, 433 general buildings during 2002-12⁴⁰. For Cuttack Development Authority, Audit examined plan approvals of 37 high rise apartments/ Apartment Buildings, 173 general buildings during 2002-12⁴⁰.

On allotment function, Audit examined all allotments made during 2002-12. Audit was conducted during March 2012 to February 2013. Audit also

⁴⁰ Period of coverage is 2002-12 since the PBSR came into force w.e.f. December 2001. However for general category buildings, the coverage is 2007-12 on the basis of risk analysis.

conducted Joint Inspection of 89 plots/ buildings/ apartments in order to substantiate the audit findings and photographs were also taken as audit evidence, wherever considered necessary.

Audit findings were also discussed with the Principal Secretary to Government; H&UD Department in an Exit Conference held on 21 January 2013 for Bhubaneswar Development Authority and on 7 May 2013 with the Project Director-cum-Joint Secretary of the Department for Cuttack Development Authority and the replies of the Government, wherever received, were incorporated at appropriate places in the report.

AUDIT FINDINGS

2.2.6 Planning

2.2.6.1 *Preparation and implementation of Comprehensive Development Plans*

Section 9 and Rule 11 of the Orissa Development Authorities Act (ODA Act), 1982 and Rules made thereunder required that a Comprehensive Development Plan indicating urban land use map as well as physical development plan should be prepared and published within four years of the constitution of the Authority. Bhubaneswar Development Authority prepared first Comprehensive Development Plan in 1994 after a delay of seven years and revised it in 2010. Similarly, Cuttack Development Authority prepared its first Comprehensive Development Plan in 2012 after a delay of 25 years. There was no record to indicate the reasons for such delay.

Audit noticed that due to absence of Comprehensive Development Plan, there is disorderly development with excessive pressure on infrastructure. Further, due to lack of such planning compounded by non-implementation of previous Comprehensive Development Plan 1994, activities and functions with high economic potential have also been poorly managed resulting in mixed land use instead of a systematic development in the Bhubaneswar Development Plan Area. Similarly, in Cuttack Development Authority there was no guiding master plan for decades together and the land use pattern in Cuttack city presents an urban clutter, with industries existing side by side with residences.

The current Comprehensive Development Plans for both the DAs set specific targets on share of land use for residential, commercial, industrial, public/institutional, water bodies, environmental sensitive zones and other utilities to be achieved by 2030. However, no Annual Action Plans in line with such targets were prepared by DAs for regulated implementation of the respective Comprehensive Development Plans.

The Department, while admitting (February 2013) delays in preparation of Comprehensive Development Plans stated that a High Level Steering Committee (HLSC) to monitor the implementation of Comprehensive Development Plan 2010 for Bhubaneswar Development Plan Area headed by the Chief Minister was constituted and has held three meetings in 2010-11. For Cuttack Development Plan Area, the Department stated that the Comprehensive Development Plan has been prepared and approved in 2012.

Audit, however, noticed that though the HLSC was formed, it did not meet since July 2011. Further, no Monitoring Committee was formed for Cuttack Development Plan Area (June 2013).

2.2.6.2 Preparation of Zonal Development Plans

As per Section 10 of ODA Act, simultaneously with the preparation of Comprehensive Development Plan or thereafter, a Zonal Development Plan (ZDP) should be prepared further subdividing the plan area in various zones for the purpose of development as well as the stages by which any such developments would be carried out. This is required to ensure that the DAs monitor systematic development of city zones and prevent development in an unorganised manner. Review of the activities relating to preparation of ZDP revealed that the plan has not been prepared as discussed below:

- 11(2) of ODA Rules, 1983 requires fixation of a time schedule for preparation and publication of ZDP by the DAs and its approval by the Government. However, no such time was fixed by the DAs.
- In the Comprehensive Development Plan of Bhubaneswar Development Authority and Cuttack Development Authority, 14 and 11 planning zones respectively were earmarked. Bhubaneswar Development Authority entrusted (July 2010) preparation of ZDPs to IIT, Kharagpur stipulating its completion by July 2012. However, IIT Kharagpur submitted ZDPs for only four zones and completed survey work for another three, whereas in case of Cuttack Development Authority, no action was initiated (August 2013). Reasons for delay were neither furnished nor available on record.
- Section 10 of the ODA Act requires ZDPs to include site plan and use plan for the zone for various purposes such as housing, schools, hospitals, markets, roads, open spaces etc. based on end use of land as well as to provide for improvement of bad layouts and slum areas. In the absence of ZDPs, the envisaged detailed planning at the zone level could not be achieved.

In reply, Cuttack Development Authority stated (June 2013) that since Comprehensive Development Plan was prepared only in 2012, steps were being taken to prepare the ZDPs at the earliest. Bhubaneswar Development Authority while admitting the fact stated (February 2013) that ZDPs would be prepared soon.

2.2.6.3 Non-provision of houses for Economically Weaker Sections

Rule 3(3) of Orissa Government Land Settlement (OGLS) Rules 1983 required that land in urban areas were to be, *inter-alia*, reserved for poor class people as well as middle class people having no house site / inadequate accommodation. Section 22 (4) of ODA Act, 1982 also required reservation of 10 *per cent* of the total area covered for members of socially and economically backward classes. However, Audit noticed that during 2002-2012, though, 10 schemes were developed by DAs (BDA: 8 and CDA: 2) no plots/ houses were reserved for EWS category. It was also noticed that in one scheme, while entering into lease

agreement with Cuttack Development Authority, the RDM specifically stated that 10 *per cent* of the land should be allotted for EWS category. However, such reservation was not ensured by the Cuttack Development Authority while launching the scheme.

The Department while admitting the facts stated (February 2013) that reservation of plots/ houses for EWS category would be ensured in the forthcoming schemes.

2.2.7 Allotment of developed plots and buildings

2.2.7.1 Utilisation of land for housing schemes

Under Section 75 of the ODA Act 1982, the State Government may place at the disposal of the Authority any developed or undeveloped Government land situated within the jurisdiction of the Authority for the purpose of development.

Rule 52 (3) of ODA Rules provided that after any land at the disposal of the Authority has been developed, it shall, subject to the directions given by the State Government in this behalf, be dealt with by the Authority in such manner as it may consider expedient for securing the planned development of the locality.

Land was allotted to DAs by Government on lease basis for the purpose of development of social housing schemes. During 1983-2012, General Administration (GA) Department and Revenue and Disaster Management (RDM) Department allotted 1406.038 acre Government land to Bhubaneswar Development Authority. Similarly, during 1983-2012, RDM Department allotted 1215.186 acre Government land to Cuttack Development Authority. A scrutiny of utilisation of land by DAs during the period covered under audit revealed as follows:

- During the period covered in audit, Bhubaneswar Development Authority developed eight housing schemes for which 124.243 acre of land were allotted from 1985 to 2002, i.e., prior to period of audit. Of this, Bhubaneswar Development Authority utilised 101.414 acre land intended for the purpose. The remaining 22.829 acre land were left unutilised due to encroachment of the land (2.586 acre) by slum dwellers and local people, land under litigation (6.458 acre) and unsuitability of land (6.890 acre) for allotment (in Udaygiri Vihar Housing Scheme). Cuttack Development Authority utilised entire 298.83 acre land, which was allotted up to 2002, by launching two schemes during the period covered in audit.
- During 2002-12, 113.431 acre land was allotted to Bhubaneswar Development Authority while 68.465 acre were allotted to Cuttack Development Authority for development of housing schemes. Of the above, only 2.685 acre land was utilised by Bhubaneswar Development Authority and remaining 110.746 acre land remained unutilised (February 2013) due to prolonged planning process ranging between three and six years. Cuttack Development Authority, however, utilised the full extent of land allotted to it.

2.2.7.2 Allotment of houses and plots

Rule 52(2) of ODA Rules empowers the DAs to dispose of land allotted/ transferred to them, subject to the directions given by the State Government, as they think fit, so as to ensure the planned development of the area under their jurisdiction. However, these Rules do not contain criteria for allotment of land to different categories of allottees and procedure for transfer of plots/ houses from one allottee to another.

For the purpose of allotment of plots/ houses under each scheme the DAs issue brochures for the scheme containing terms and conditions attached to the process and mode of allotment of plots/ houses. The DAs invite applications from the public through newspaper advertisements for allotment of plots/ houses. The applications, thus received, are scrutinised for eligibility and compliance to brochure terms and conditions. In case applications are more than the available plots/ houses under the scheme, the allotment is carried out by a lottery process. The brochures also specify the number of plots/ houses for preferential allotment under Discretionary Quota of the Chairperson of the DA for which, applications are also invited from public.

During 2002-12, Bhubaneswar Development Authority allotted 1293 assets (224 plots and 1069 houses pertaining to eight schemes) to public while Cuttack Development Authority allotted 3170 plots (two schemes) to public during the same period. In all schemes excepting one, lottery system was followed. This indicates that the demand for the plots/ buildings developed by the DAs was high due to the significant difference between the allotment price *vis-à-vis* the prevailing market value of the land.

Audit reviewed the allotment cases by the DAs during 2002-12 and noticed following deficiencies in allotment of assets.

2.2.7.3 Multiple allotments of assets to same individuals/ their spouses

The assets were offered by DAs at significantly lower prices than the actual prevailing market price. Thus, in order to ensure allotment opportunity and affordable houses to as many persons as possible, the DAs should ensure that individuals/ spouses have not been allotted more than one asset in same/ different schemes.

An audit scrutiny of the records of DAs revealed the following:

- In five⁴¹ housing schemes in Bhubaneswar Development Authority, though the brochure contained provision prohibiting one person to apply for more than one unit within a scheme, condition prohibiting application by the spouses in that scheme was not available in the brochure. Audit noticed that 29 persons were allotted (2002 to 2012) additional assets valuing ₹ 6.79 crore by Bhubaneswar Development Authority though they themselves or their spouses were already allotted assets in earlier schemes/same schemes. Similarly, in Cuttack Development Authority, eight persons were allotted

⁴¹ (1) Anant Vihar HS, Ph-II, HIG Duplex (launched in 2009), (2) Lumbini Vihar HS (in 2001-02), (3) Netaji Subhas Enclave (in 2007), (4) Prachi Enclave, Ph-II (in 2002), (5) Udayagiri VHS (in 2002)

plots valued ₹ 24.34 lakh despite the fact that their spouses were also allotted assets under the same scheme.

- Seven persons were allotted more than one plot/ house by both Bhubaneswar Development Authority and Cuttack Development Authority in their favour.
- Scheme brochure conditions require furnishing an affidavit from applicant citing that he/ she or his/ her spouse did not possess a house/ plot in Bhubaneswar. Audit noticed that the Bhubaneswar Development Authority did not have data base of allottees of plots/houses allotted in its own schemes. As a result in three housing schemes⁴², Bhubaneswar Development Authority allotted more than one plot/ house valued at ₹ 61.08 lakh in the same/ different housing schemes to nine persons on the basis of affidavits submitted by them which were later proved to be false.

Bhubaneswar Development Authority admitted (February 2013) the absence of computerised data and stated that steps were being taken to computerise data relevant to allotments to prevent multiple allotments to the same individuals/ their spouses. Cuttack Development Authority stated (June 2013) that appropriate action would be taken in cases of more than one allotment. While admitting the facts, the Department also assured (June 2013) that action would be taken against those applicants who have misrepresented facts or filed false affidavits.

2.2.7.4 *Lack of transparency and equity in allotment process*

Individual brochures of housing schemes developed by the two DAs specified the mode of allotment of plots/ houses within that particular housing scheme. Audit noticed that in 10 housing schemes developed by Bhubaneswar Development Authority (eight) and Cuttack Development Authority (two), allotments were made by holding a lottery.

Bhubaneswar Development Authority in its meeting (August 2004) also decided to dispose unsold/ vacant plots/ houses remained in any scheme through open tender process.

However, Audit noticed that in the following cases, transparency and equity in the allotment process could not be assured:

- In Baramunda HIG Duplex Core Housing Phase III scheme, nine houses were to be allotted (October 2001) by Bhubaneswar Development Authority. Since the number of houses to be allotted was only nine, newspaper advertisement was not made and instead a notice was published (10 October 2001) on Bhubaneswar Development Authority's notice board, inviting applications for the same, within five days, in response to which four applications were received. Audit, however, noticed that there were 17 applications for these nine houses which were already received by Bhubaneswar Development Authority prior to the above notice being published. Reasons as to how these 17 applicants were aware of the

⁴² (1) Anantha Vihar Housing Scheme Ph II (2) Aryavihar Housing Scheme (3) Prachi Enclave I.

availability of such houses before public notice were not on record. Despite the fact that the first public notice regarding availability of nine houses was published only in October 2001, Bhubaneswar Development Authority decided (January 2002) to allot houses to nine of the 17 persons who had applied prior to publication of the notice, on 'first-come-first serve' basis. Subsequently, allotment of one out of above nine houses was cancelled due to non-payment of dues, which was allotted by the Chairman under his discretion (July 2005) instead of allotment by auction. No reply was received (June 2013) from Bhubaneswar Development Authority on this issue.

- Cuttack Development Authority launched a plotted scheme 'Abhinaba Bidanasi Kattaka' scheme in sector 10 with total area of 121.070 acre. Although there was no provision of allotment of plots for Group Housing Co-operative Societies in the brochure of the scheme, Cuttack Development Authority allotted (2003-06) 4.91 acre land worth ₹ 2.37 crore in Sector 10 to two Group Housing Co-operative Societies directly, without following lottery procedure for which reasons were not available on records.

The Department stated (June 2013) that there were no specific criteria for allotment to Group Housing Cooperative Societies in the housing scheme and that allotment was made on the basis of applications received. The reply is not tenable since the above allotments were not made through lottery process, thereby providing an unfair advantage to these cases during allotment, compared to other allotments which were made through lottery.

On above issues, the Department stated (June 2013) that Bhubaneswar Development Authority had prescribed the Allotment Manual 2010 and that steps had been taken to increase transparency and fairness in the allotment process. It further added that Cuttack Development Authority had also been instructed to prescribe an Allotment Manual.

2.2.7.5 *Transfer of ownership of assets*

In case of Bhubaneswar Development Authority, individual brochures of housing schemes permitted transfer of plots/ houses by allottees after execution of lease deed and expiry of two years from the date of taking over possession (except in Anant Vihar, Phase-II HIG Duplex, where it was five years). Unlike Bhubaneswar Development Authority, there was no time limit prescribed for Cuttack Development Authority after which the transfers by allottees were permitted.

Audit examined the transfer of assets by allottees in both Bhubaneswar Development Authority and Cuttack Development Authority and noticed the following deficiencies:

- In case of Cuttack Development Authority, individual brochures of housing schemes permitted transfer of allotted plots by allottees by way of sale or otherwise (except by way of inheritance) with prior consent of Cuttack Development Authority and on payment of 50 *per cent* of the unearned increase (difference between the premium paid at the time of

allotment and premium applicable at the time of transfer) as consent fee to Cuttack Development Authority. However, Bhubaneswar Development Authority charged a nominal processing fee (15 *per cent* of cost as per brochure) at the time of the transfer of the plot/ house, regardless of the consideration value of the transfer from the initial allottee to the third party. The GA Department, which also allots land, was charging consent fees 25-35 *per cent* of premium at the time of transfer of residential land allotted by it. Therefore, charging nominal fees by Bhubaneswar Development Authority resulted in undue favour to the initial allottee, since the DAs in any case allotted plots/ buildings at lower prices to allottees compared to the market value of land.

- Bhubaneswar Development Authority decided (September 2002) to allow pre-possession transfers, i.e., transfers from allottee to others even before taking over possession of houses/ plots. Bhubaneswar Development Authority and Cuttack Development Authority permitted pre-possession transfer of 32 houses valued at ₹ 2.53 crore and 40 plots valued at ₹ 51.02 lakh respectively during the period 2002-12 even though no lease deed was executed by the initial allottee with the concerned DA.
- Bhubaneswar Development Authority and Cuttack Development Authority also permitted post-possession transfer of 53 houses valued at ₹ 3.39 crore (brochure value) and 407 plots valued at ₹ 13.60 crore⁴³ respectively even though no lease deed had been executed by the initial allottee with the DAs concerned.
- In 532 cases (BDA : 85 and CDA : 447) of transfer of houses and plots made in Cuttack Development Authority and Bhubaneswar Development Authority, no lease deed was executed between the transferee and DA concerned. As a result, there was loss of revenue of ₹ 86.73 lakh to the Government towards registration fee (₹ 44.93 lakh) and Stamp Duty (₹ 41.80 lakh), besides the whole transaction remaining irregular.
- Bhubaneswar Development Authority did not execute any lease deed with allottees in respect of 1293 houses/ plots allotted during 2002-12, as lease deed for the land in which the housing schemes developed, were not executed with RDM and GA Departments except Prachi Enclave and Lumbini Vihar, even after allotment and taking over of possession. Cuttack Development Authority executed lease deeds with 24 allottees out of 3170 plots allotted in Sector 10 and Sector 13 during 2002-12.
- Cuttack Development Authority collected ₹ 16.80 lakh from the original allottees (sellers) towards registration fees at the time of transfers, but did not remit the same to Government Account (February 2013).

While admitting the above facts, the Department stated (January 2013) that the decision of the DAs to permit pre-possession transfers as well as post-possession transfers without execution of lease deed did not have the approval of the

⁴³ Sector 10: 329 assets of sale value ₹ 9.22 crore and Sector 13: 78 cases with sale value of ₹ 4.38 crore

Government. It was also stated that transfers were discontinued since 2011 by Bhubaneswar Development Authority. The Department also assured that instructions would be issued to Cuttack Development Authority to ensure execution of the lease deed prior to allowing third party transfers.

2.2.7.6 Allotments under Discretionary Quota (DQ)

Individual brochures of housing schemes of DAs contained provisions for allotment of plots/ houses under DQ of the Chairperson of the concerned DA which ranged between five *per cent* to ten *per cent* of the total assets offered under the schemes. However, no eligibility criteria for identification of allottees eligible under DQ had been specified by the DAs in general or in the individual brochure. It was observed that neither the provision for DQ allotment of plots/ houses existed in the Act/ Rules nor any such instruction issued by the Government.

Audit noticed that during 2002-10, the DAs allotted 634 plots/ buildings (BDA : 185, CDA : 449) worth ₹ 31.63 crore under DQ to different individuals.

Audit further observed that:

- Bhubaneswar Development Authority formulated Allotment Manual in March 2010, which, *inter alia*, included categories of persons to whom allotment of assets under DQ could be made. Cuttack Development Authority did not formulate any Allotment Manual (June 2013)
- Allotment of plots/ houses by DAs under DQ was discontinued by Government from December 2011 due to lack of uniformity in criteria used for identification of allottees under DQ by Bhubaneswar Development Authority, Cuttack Development Authority and OSHB
- No allotments under DQ as per Allotment Manual 2010 were made by Bhubaneswar Development Authority after March 2010. Hence, none of the identified categories of persons were benefitted after formation of Manual.

Audit scrutiny in the 10 test checked housing schemes further revealed that:

- Identification of allottees under DQ was arbitrary as the criteria for the same were not specified and applications for allotment under DQ were made on plain paper without any supporting documents such as affidavit regarding non-ownership of land in the concerned DA, as required in the terms and conditions of the brochure for housing schemes.
- In case of Udaygiri Vihar Housing Scheme launched for MIG/ LIG houses in 2002, norms regarding income were relaxed (April 2003) for allotment of six assets valued at ₹ 35.94 lakh out of 20 assets allotted under the DQ.
- In eight housing schemes of Bhubaneswar Development Authority, out of 249 applications for allotment of assets under DQ, 129 applicants were allotted assets. It was observed that there was no clear pre-defined criterion for such allotment, thus making the allotment under DQ completely arbitrary and non-transparent.
- Joint Inspection (July 2013) of 23 test checked plots/ buildings allotted under DQ revealed that 14 plots (**Appendix 2.2.1**) allotted by Bhubaneswar

Development Authority (between 2002 and 2007) valuing ₹ 3.47 crore remained vacant. Similarly, in Cuttack Development Authority, 169 out of 254 test checked plots allotted under DQ valued at ₹ 11.08 crore remained vacant. This indicated that allotments under DQ were made to persons without verifying the immediate requirement of the applicant.

- In case of Prachi Enclave Phase-II (BDA), provisional allotment of eight assets worth ₹ 28.80 lakh was made under DQ to eight individuals in November 2001 before launching the scheme in September 2002, making the allotment process non transparent.
- In four cases in Bhubaneswar Development Authority, assets worth ₹ 17.42 lakh were allotted to persons who had earlier also been allotted assets under DQ and transferred one of the assets to third party indicating that the allotment made under DQ was for speculation, rather than for residential purpose.
- Nine persons already allotted assets under DQ, were allotted another asset each by Bhubaneswar Development Authority either under discretionary or general quota in their names or in the names of their spouses.

Thus, due to non formulation of clear guidelines and criteria for identification of allottees under DQ and lack of subsequent monitoring regarding actual usage of such plots/ buildings, the process of allotment under DQ lacked transparency.

The Department admitted the above facts and stated (January 2013 and June 2013) that individual allotments under DQ were made at the level of the Development Authorities and that Government approval was not obtained for such allotments. The Department also stated that there should have been a well-calibrated framework to exercise the DQ instead of operating it on case to case basis. It also admitted that action of relaxing brochure conditions and allotting cancelled assets under DQ and multiple allotments to the same applicant/ his/ her family member was not appropriate and that this was one of the reasons why DQ allotments was discontinued in 2011. The Department provided assurance (June 2013) that suitable action would be taken for arbitrariness in allotment in DQ.

2.2.7.7 Non-utilisation of allotted plots/houses

As stipulated in the allotment orders/ brochures for plots in housing schemes, the allottees were required to construct houses over the allotted plots within a stipulated period of time⁴⁴. During 2002-12, Bhubaneswar Development Authority and Cuttack Development Authority allotted 1293 assets (224 plots and 1069 houses) and 3170 plots respectively. In compliance to Hon'ble High Court's order (February 2011) that action was to be taken against the allottees who had not constructed houses, Cuttack Development Authority issued (November 2011) show cause notices for cancellation of allotted land to 861 allottees. Bhubaneswar Development Authority had not taken any action for review of housing schemes to check for non utilisation of allotted plots till date (May 2013).

⁴⁴ Three years for CDA and five years for BDA as in Kalinga Nagar plotted schemes

In the absence of regular inspections by DA officials to ensure that construction on the allotted plots commenced within stipulated periods, the DAs failed to monitor enforcement of the above allotment condition. Moreover, DAs were empowered under their Regulations to cancel the allotments and resume the land in case of non utilisation within the stipulated time but failed to take any action.

No reply was received from the Government on this issue (May 2013).

2.2.8 Pricing mechanism

Bhubaneswar Development Authority, while allotting plots/ buildings, determines the allotment price as equal to the sum of land premium paid, cost of development of plots, cost of construction of houses and other overhead and supervision charges. Cuttack Development Authority in addition to following the pricing procedure as above, also enhances the prices by 15 per cent per annum for those plots which were not allotted within the year of launch of housing scheme. Bhubaneswar Development Authority and Cuttack Development Authority allotted land to Low Income Group (LIG), Middle Income Group (MIG) and High Income Group (HIG) categories of people.

2.2.8.1 Consideration of lower land premium while determining allotment price by BDA

Audit noticed that Bhubaneswar Development Authority was paying premium only on buildable areas to the GA and RDM Departments at the time of allotment of land instead of on whole area (includes land used for amenities such as roads, open spaces etc) allotted by these Departments and accordingly used only premium paid on buildable area in pricing of plots/ houses. However, the said Departments insisted (2009 and 2012) on payment of premium on the whole area, including interest on non-payment of such premium on time. As a result, Bhubaneswar Development Authority was liable to pay the remaining premium with interest subsequently. However, pricing of land in five housing schemes was carried out on the basis of premium paid only on buildable area. Thus, against premium of ₹ 10.46 crore paid/ due to be paid to Government on five housing schemes, Bhubaneswar Development Authority, considered only ₹ 4.44 crore towards land cost during pricing of schemes, which resulted in a loss of ₹ 6.02 crore as detailed in the table below:

Table 2.2.1 Costing land price less than the premium amount paid

					<i>(₹ in lakh)</i>
Sl. No.	Name of the scheme with area of land	Land area (in acre)	Land premium paid / to be paid to Government	Land cost considered for pricing	Difference (less cost taken)
1	Lumbini Vihar housing scheme, Chandrasekharpur	19.000	228.00	144.63	83.37
2	Arya Vihar housing scheme, Chandrasekharpur	2.902	34.82	12.96	21.86
3	Udayagiri Vihar housing scheme, Patrapada	23.534	544.42	100.82	443.60
4 & 5	Prachi Enclave-I & Prachi Enclave-II/ Chandrasekharpur	19.900	238.80	185.37	53.43
	Total		1046.04	443.78	602.26

(Source: Data collected by Audit from BDA records)

No such deficiency was noticed in Cuttack Development Authority.

The Department admitted the above facts and stated (February 2013) that steps would be taken to price the plots/ houses on the basis of premium paid on total area in the forthcoming schemes. The reply is not tenable, since lease deeds have not been executed in any of these cases, Bhubaneswar Development Authority can still recover this extra amount from the allottees of these parcels of land.

2.2.9 Building Regulation System

Section 15 of ODA Act, 1982 prohibits development activity in any building or over any land unless written permission is granted by the DAs. These permissions are granted in order to ensure compliance with prevailing Planning and Building Standard Regulations (PBSR) of respective DA. The person intending to undertake development activity applies to DAs in a prescribed form along with requisite documents such as building plan, site plan, scrutiny fees and No Objection Certificates (NOCs) from different agencies⁴⁵ wherever required. After verification of documents, site inspection, technical scrutiny at various levels the building plans are approved by competent authorities of the DAs.

Building plans were approved mainly under three categories i.e., apartment buildings (buildings with six or more dwelling units), high rise buildings (buildings whose height is 15 meters or more) and non-apartment buildings (all buildings except apartments and high rise buildings). Audit examined the process of approval of building plans by both the DAs and noticed the following deficiencies:

2.2.9.1 Approval of building plans

PBSR of DAs require communication of approval or refusal of building plans to the applicant within 60 days from the date of receipt of application by the DA. Besides, Bhubaneswar Development Authority prescribed (December 2008) a stage wise time schedule for disposal of different category of building plans within 30 to 60 days of receipt of such applications.

- A test check of 433 general building plan approval cases in Bhubaneswar Development Authority revealed that 90 cases were pending for approval (September 2012). Out of remaining 343 approved cases, in 98 (29 *per cent*) cases plans were approved on time, 63 (18 *per cent*) were approved with a delay of up to 30 days while in remaining 182 (53 *per cent*) cases, delay in approval ranged between 30 and 828 days (September 2012). Audit also noticed that in 101 out of 182 cases where approval was delayed for more than 30 days, the applications submitted were in complete shape and delay was only due to processing at Bhubaneswar Development Authority. In Cuttack Development Authority, no delay was noticed in 173 test checked building plan approval cases.

⁴⁵ (1) PH Engineering Department and Local Authority (water supply, sewerage and drainage system), (2) Fire Service Department (fire safety), (3) Ministry of Environment and Forest (environment clearance). (4) Airport Authority of India (building height more than 30 meter) and (5) National Highway Authority of India (site abutting to NH)

- Audit further noticed that applications received for building plan approval were not processed in serial order or on the basis of any recorded criteria, resulting in applications received at a later date given priority over earlier applications. It was also seen that in 11 cases, though building plans for two/ three storey buildings were approved in 27-60 days i.e., within the prescribed period yet in another 13 such similar cases, 81 to 443 days were taken by Bhubaneswar Development Authority for approval of building plans.

Thus, transparency in selection of application for approval of plan was lacking.

The Department while admitting the facts stated (February 2013) that the building plan approval was now included as a service under Odisha Right to Public Service Delivery Act, 2012 attracting penalty for any delay beyond 60 days. The reply is not convincing as no justification was given on arbitrariness and lack of transparency in approval of building plans.

2.2.9.2 Approval of building plans in violation of zoning Regulation

Regulation 112 (2) of PBSR 2001 of Cuttack Development Authority states that 30 *per cent* of the land in administrative zone can be utilised for those residential activity that are incidental to the zone category. Audit, however, noticed that during 2002-12, Cuttack Development Authority permitted residential constructions in 71 plots/ sites located in the Administrative zones though they were not incidental to zone category. Thus, plans with 160821 sft built up area were approved in violation of PBSR.

The Department stated (June 2013) that the audit observation would be used for future guidance.

2.2.9.3 Approval of plans of apartments under non-apartment category

Regulation 47(1) of PBSR, 2008 of Bhubaneswar Development Authority prescribed that no apartment building (having six or more dwelling units) should be permitted on plots with less than 500 Square meters (sqm) in size.

Audit noticed that in 13 cases though the plot size was less than 500 sqm and drawings/ plans of the buildings accompanying the application also showed six independent units, plans were approved with five units based on number of kitchens shown in the plans in contravention to the provisions of PBSR. Information collected from the Central Electrical Supply Utility (CESU) revealed that in nine such cases, power supply was approved for six to eight units. Thus, extra dwelling units were allowed to be constructed in these plans, though, the site was not eligible for the same. No such irregularity was noticed in Cuttack Development Authority.

The Department in reply stated (February 2013) that steps would be taken to check the number of residential units constructed and take action accordingly. Action in this regard is awaited (June 2013).

2.2.9.4 Provision of parking space in high rise buildings

Regulation 35 of PBSR 2008 of Bhubaneswar Development Authority required

that high-rise buildings should have parking area at the rate of 40 *per cent* and the residential apartment buildings at 30 *per cent* of the total built up area.

Out of 48 test checked high rise buildings, which were approved after PBSR 2008, in 10 cases it was noticed that parking space requirement was calculated at 30 *per cent* of the total built up area instead of at 40 *per cent* of the built up area stating it to be approved under apartment category which should have been approved under high-rise category. As a result against the requirement of 228579 sqm parking area in these building 180483 sqm. parking area was provided. Thus, the violation of the Regulation resulted in shortfall in parking space of 48096 sqm area with equivalent extra built up area in these buildings.

Joint Inspection of the above sites revealed that all 10 buildings were under construction as per plans. No such irregularity was, however, noticed in Cuttack Development Authority.

The Department replied (February 2013) that the parking requirement should be calculated based on activity/ use of building rather than the height of the building. It was also stated that provision of 40 *per cent* parking space for high rise building in the PBSR creates confusion and is proposed to be deleted via amendment.

The reply is not tenable as the plans were approved, with lesser parking space and more built up area, in violation of existing PBSR Rules.

2.2.9.5 Approval of building plans without provision of approach road

PBSR of DAs stipulated that in no case, development of a plot should be permitted unless it is accessible by a public/ private street of width not less than six meters.



Building of HRG Finance and Investment Consultant (P) limited

Audit, however, noticed that in six cases, Bhubaneswar Development Authority and Cuttack Development Authority approved (2002-2012) building plans even though:

- In two cases (HRG Finance and Investment Consultant Private Limited in Bhubaneswar Development Authority, Tulsi Spices Food Private Limited in Cuttack Development Authority) there were no approach road to the site. In case of HRG, the land was bisected by a 40 feet wide canal and the land behind the canal had no approach road at all. However, Bhubaneswar Development Authority approved the plan for construction of five high rise buildings on the said land stating clearance from Water Resources Department was to be obtained before construction of building for getting connectivity across the canal. The same was, however, not obtained. Similarly, in case of Tulsi Spices Food Private Limited, Cuttack Development Authority irregularly approved the plan even though a 20 feet water “nalla” abutted the plot and a 13 feet pani

mahara (water channel) belonging to Government ran through the plot itself for which requisite approval was not obtained from the Water Resource Department.

- In one case (Sivananda Builders Private Limited in Bhubaneswar Development Authority) the width of approach road was only 4.8 meters i.e. below the prescribed minimum of six meters.
- In three other cases (Dr. P.K Mohanty, Metro Builders Private Limited and Smt Puspanjali Nayak) in Cuttack Development Authority, the plan was approved without NOC from Government to construct approach roads over Government land which was later constructed by the builder/owner through encroachment.

Besides, the PBSRs prescribed that the Floor Area Ratio⁴⁶ (FAR) of residential and commercial buildings would be decided on the basis of the size of the plot and width of road to which such buildings abut. Approval of building plans in violation of maximum prescribed FAR values adversely impacts city and zonal development. Higher the FAR value permitted to be built, higher is the pressure on land for various infrastructures like water supply, sewerage system, solid waste disposal, road capacity, etc.

- Audit observed that in four cases⁴⁷ (BDA: 2 and CDA: 2), higher FAR ranging from 1.75 to 2.75 were approved (2002-12) against permissible FAR of 1.5 to 2.5. This allowed buildable area of 52113 sqm as against 47087 sqm permissible under PBSR, leading to excess buildable area of 5026 sqm in these four cases thereby extending undue benefit to the builder.

Thus, building plans in these 10 cases (BDA: four and CDA: six) were approved violating the provisions of PBSR resulting in undue benefit to the builders. This also resulted in higher pressure on land for various infrastructures like water supply, sewerage system, solid waste disposal, road capacity, etc.

The Government stated (February 2013) that unauthorised proceeding (UAP) case has been initiated in one case by Bhubaneswar Development Authority. Further the Government stated (July 2013) that action under Section 91 of the ODA Act unauthorised proceeding has been initiated in five cases by Cuttack Development Authority.

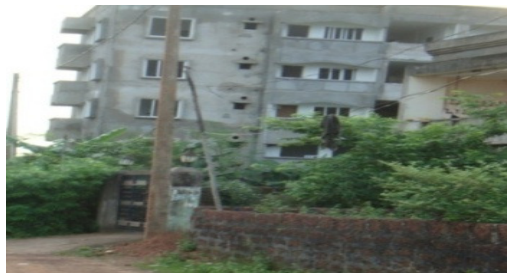
2.2.9.6 *Approval of building plan over land belonging to Bhubaneswar Development Authority*

As per Orissa Mutation Manual 1962, after a property is transferred by way of sale or gift through a registered deed, the transferee concerned can apply to Tahasildar for change of the Record of Rights (RoRs) so as to establish the ownership of property in his favour in the Government records.

⁴⁶ As per Regulation 2(57) of PBSR 2008 of BDA, 'Floor Area Ratio' means the quotient obtained by dividing the total covered area on all floors with the area of the plot

⁴⁷ DN Homes Private Limited, Shibani Estates & Promoters Limited, Ms.Naina Samal and Ms. Sarita Bharalwala.

Audit noticed that for approval of the lay out plan by Bhubaneswar Development Authority, one individual⁴⁸ executed (November 1984) a registered gift deed for 0.930 acre land in favour of Bhubaneswar Development Authority in Patrapada Mouza. However, Bhubaneswar Development Authority did not take any steps for change of the RoR based on the said gifted land. Subsequently, the individual executed (May 2003) a gift deed for 0.231 acre out of the above land in favour of another party, whose building plan over this patch of land was also approved (December 2008) by Bhubaneswar Development Authority.



Approval of plan to builder on BDA's own plot

After approval of the building plan, construction of the building commenced. However, an unauthorised proceeding (UAP) case was instituted against the builder for deviation from the approved plan. During trial of the case, the Officer on Special Duty observed the above lapses and proposed (October 2010) that the building plan which was irregularly approved on Bhubaneswar Development Authority's own land be reviewed and necessary legal steps against the individual who illegally transferred land belonging to Bhubaneswar Development Authority to another party by suppressing facts may be taken. However, no further action was taken by Bhubaneswar Development Authority.

A Joint Inspection (August 2012) of the site revealed that the builder had already constructed a G+4 storeyed building though, only G+1 was constructed by the builder when unauthorised construction came to the notice (October 2010) of Bhubaneswar Development Authority. Due to lack of timely action by Bhubaneswar Development Authority, the builder was able to undertake unauthorised construction of 26635 sft (built up area).

Thus, due to the inaction by Bhubaneswar Development Authority to transfer the RoR in its favour and lack of information on land records at the time of approval of building plans, Bhubaneswar Development Authority granted approval for such buildings proposed to be built on its own land.

The Department stated (February 2013) that since the applicant had suppressed the fact that the plot was earlier gifted to Bhubaneswar Development Authority, action would be taken to revoke the permission under Section 17 of the ODA Act. Action in this regard was awaited (November 2013).

2.2.9.7 Irregular approval of building plans by BDA

Bhubaneswar Development Authority approved (July 2010) the plan of a B+G+5 building of Odisha State Housing Board (OSHB) in joint venture with a developer (B Engineers Private Limited) for residential-cum-commercial use over a Plot measuring 48.290 acre in Aiginia mouza. The said land was allotted (January 1998) on lease basis by the GA Department to OSHB for

⁴⁸ Sri Surendra Chandra Mohanty.

implementation of a housing scheme of which 0.380 acre (16553 sft) was earmarked for commercial use while the remaining area was to be used for residential purpose.

Audit, however, noticed that Bhubaneswar Development Authority while approving the plan permitted construction of 36404 sft for commercial use against permissible area of 16553 sft. This was despite the fact that the OSHB submitted a copy of the land allotment letter to the Bhubaneswar Development Authority for scrutiny clearly indicating the limit prescribed on the commercial area. Thus, Bhubaneswar Development Authority irregularly permitted use of land other than for which it was permitted resulting in extension of undue benefit to the builder.

While admitting the facts the Department stated (February 2013) that OSHB was informed to get the lease conditions revised accordingly. The reply is not tenable, as Bhubaneswar Development Authority should have accorded permission for land use in compliance with the condition of allotment of land.

2.2.9.8 *Lack of follow up action after issue of conditional approval for high rise building plans*

As per PBSR of Bhubaneswar Development Authority in respect of Stilt + three floors (S+3) and above buildings, conditional approval should be accorded directing the builder to develop the onsite and offsite infrastructures like connectivity of sewerage, drainage, water supply, road etc. as per specification of the local authority. Only after receipt of 'No Objection Certificate (NOC)' from all the State/ local authorities and verification by Bhubaneswar Development Authority regarding creation of required infrastructure, construction of the main building was to be started with due permission from Bhubaneswar Development Authority.



Cosmopolis building at Dumduma built without go ahead permission

Scrutiny of records revealed that out of 197 high-rise/ S+3 buildings, the permission required from Bhubaneswar Development Authority for construction of buildings was given in 15 (eight *per cent*) cases only. Joint Inspection of 20 cases where permission was not granted revealed that in all cases, civil constructions were taken up on the basis of conditional approval alone.

- As per Notification (September 2006) of Union Ministry of Environment and Forest (MoEF), for construction of mega high-rise/ apartment projects (built up area 20000 sqm or more), builders are to obtain environmental clearance from the Government of India before commencing construction. Audit, however, noticed that out of 26 cases under Bhubaneswar Development Authority where clearance from MoEF was required, the builders did not submit such clearance in 13 cases (September 2013).

During inspection of two such cases⁴⁹ it was noticed that civil constructions had commenced in both the cases.



Construction of Vipul Greens at Raisingpur without clearance from MoEF

The Government stated (February 2013) that unauthorised proceeding (UAP) cases were initiated against those builders who had commenced constructions without submitting environmental clearances. No such project was, however, taken up in Cuttack Development Authority.

- As per PBSR of DAs, builders were to display a copy of the building permission, approved drawings and specifications in a conspicuous place at the site of the construction for the information of the public concerned. On Joint Inspection of 19 sites which were under construction, Audit noticed no such display at any of these project sites.

The Department stated (February 2013) that steps would be taken to hoist information on disposal of building permission application on the Bhubaneswar Development Authority website. No reply was received from Cuttack Development Authority (June 2013).

- Bhubaneswar Development Authority did not verify whether builders obtained the requisite permission from the Ground Water Authority where ground water was proposed to be used by builders, even though the same was required to be obtained as per the NOC for water supply issued by the Executive Engineer of the concerned Public Health Division.

The Department stated (February 2013) that there was no provision in the Act, Rules and Regulation to seek NOC from the Ground Water Authority. The reply is not tenable as the NOC obtained from Public Health Division in compliance with the PBSR clearly indicates that it was subject to permission to be obtained from Ground Water Authority.

The Department attributed deficiency in follow up action after grant of conditional approval to shortage of manpower and assured (February 2013) that the Development Authorities would sincerely follow up on compliance to conditions specified at the time of grant of conditional approval in future.

The fact, however, remained that the grant of conditional approval without adequate and effective inspections and follow up action led to constructions without the requisite NOCs from State/ local authorities and without development of required infrastructure, as prescribed in the PBSR.

2.2.9.9 Scheme for regularisation of unauthorised/ deviated constructions – Amnesty Scheme

Bhubaneswar Development Authority with the approval of Government introduced (December 2007) a scheme called “Regularisation of unauthorised/

⁴⁹ (1) D N Homes, Dumduma (2) Vipul Greens, Raisingpur

deviated construction through compounding” (ROUDCTC) to extend one time concession to the owners to regularise their unauthorised/ irregular constructions on payment of prescribed compounding fee. The scheme was under implementation for a period of six months which was subsequently extended for another one year up to 30 June 2009. Similarly, the ROUDCTC scheme for Cuttack Development Authority was launched in January 2009 which was also extended up to July 2010. The salient features of the scheme were as under:

- All unauthorised/ deviated constructions undertaken within the jurisdiction of DA concerned prior to the date of notification of the scheme were eligible {Clause 3(i)};
- Applications received in complete shape were to be dealt with on ‘first-come-first serve’ basis and disposed off within a maximum period of six months from the date of submission of applications (Clause 9)
- Applications duly filled in were to be accompanied, *inter-alia*, by self assessed compounding fee, structural stability certificate by a Structural engineer, photograph of the building from two angles duly signed by the applicant and attested by the Architect;
- Multi-storeyed buildings, the construction of which were undertaken after publication of PBSR 2001 were not covered {Clause 4(ix)};
- A panel consisting of representatives of the concerned DA, Public Health Engineering Department/ Municipal Engineer was to be formed to take up random checking of the construction on the site (Clause 9).

Under the scheme, 8678 applications were received (BDA: 4598, CDA: 4080) of which 4397 were approved (BDA: 3771, CDA: 626) as of March 2012. The remaining cases were not disposed off (February 2013) even after expiry of more than two years of closure of the scheme.

Audit noticed that panel consisting of representatives of DA, Public Health Engineering Department/ Municipal Engineer was not formed to take up random checking of the construction on the site. DAs solely relied on the affidavits attached with the application given by the applicants, assuming such voluntary disclosure as correct.

The Department stated (February 2013) that a Committee would be constituted and 10 *per cent* of the cases where deviations in the building plans were regularised, would be checked. The reply is not tenable as the Committee should have checked the buildings before they were regularised under the scheme.

In the absence of this control, the possibility of submission of false affidavits in order to regularise deviations from approved building plans and suppression of other deviations in construction could not be ruled out. Audit examined 624 cases under the scheme in Bhubaneswar Development Authority (454) and Cuttack Development Authority (170) and noticed the following irregularities:

- Seven applications were accepted (2008-09) by Bhubaneswar Development Authority, in which the applicant and architect had signed the blank forms without details and subsequently allowed submission of filled in forms at the time of processing and in the process, regularised four such construction cases. Further, in seven cases, blank structural stability certificates signed by the structural engineers and filled up certificates without signature of structural engineers were approved (May 2008 to August 2010) by Bhubaneswar Development Authority.

The Department stated (February 2013) that due to the last minute rush during filing of applications, their completeness could not be scrutinised. The reply is not tenable as cases with blank forms cannot be regularised.

- Out of 454 test checked cases only 89 cases (20 per cent) were approved within the prescribed period of six months. The delay in 287 cases ranged from one to 24 months and remaining 78 cases were still pending for disposal (June 2012). The Department attributed (February 2013) the delay to shortage of additional technical manpower.
- In four cases, unauthorised/ deviated constructions were regularised (May to September 2010) by Bhubaneswar Development Authority even though the applications were received after closure of the scheme.
- In seven cases, applications not accompanied by self assessed compounding fees were entertained and approved (February 2008 to December 2011) by Bhubaneswar Development Authority.
- Nine cases were regularised by Bhubaneswar Development Authority with deviation more than declared in the initial application, thus giving scope for further alteration in the building after submission of application.
- In 26 cases in Bhubaneswar Development Authority, the deviations were regularised, even though applications were not accompanied by requisite documents/ additional compounding fee.
- In 207 out of 454 test checked cases in Bhubaneswar Development Authority, front set back deviations were also regularised though the scheme prohibited for the same.
- The scheme envisaged that buildings used for commercial/ mixed occupancy, the parking deficit should be regularised on payment of compounding fee at ₹ 1000 per sft. Audit, however, noticed that in three cases, Bhubaneswar Development Authority regularised the parking deficit without charging compounding fee of ₹ 1.04 crore.

The Department stated (February 2013) that in one case the building was regularised for residential use and therefore no parking was necessary, while in the other two cases, show cause notice for revocation of regularisation were issued. The reply is not acceptable as two out of four floors of the building in question were utilised for medi-care/ commercial purpose and hence it was a mixed occupancy building.

- While regularising 3122 sft deviated structure of a Stilt+5 multi-storeyed building⁵⁰ under the scheme, Bhubaneswar Development Authority considered the fifth floor as barsati⁵¹ and categorised the building as non-multi storeyed by non-inclusion of height of 5th floor for height of the building. Audit, however, noticed that the built up area of the fifth floor was 41 *per cent* (1681sft) of the fourth floor (4116 sft) i.e., more than the norm of 30 *per cent* prescribed for barsati and as such was not a barsati floor. Further, there was no provision in the Regulation/ scheme guidelines for such deduction. The regularisation was irregular, as the building was a multi-storeyed one and constructed after publication of PBSR 2001.
- Parking deficit (665 sft) as well as deviated construction (4761 sft) of a multi storeyed hotel-cum-commercial complex (Hotel Pal Regency) was regularised (March 2012) under the scheme on payment of compounding fee of ₹ 11.41 lakh. Since the building was multi-storeyed and constructed (2008-09) after publication of PBSR 2001, it was not within the scope of the scheme and hence should not have been regularised. The building plan of Basement + Ground floor + five floors (B+G+5) storeyed building was approved (January 2008) by Bhubaneswar Development Authority with the stipulation not to start construction of fourth and fifth floor without demolition of an existing G+1 building, required for parking. But, the owner constructed the fourth and fifth floors (18062 sft) unauthorisedly without demolishing the existing G+1 building and applied (June 2009) for its regularisation under the scheme, which was allowed by Bhubaneswar Development Authority.

The Department stated (February 2013) that there was no provision in the ODA Act/ Rules or the scheme to declare the building unauthorised for violation of conditions of approval. The reply is not convincing as Clause 2(ii) of the scheme defined ‘unauthorised constructions’ as constructions undertaken in contravention of the approved plan and without any approval/ sanction of the Bhubaneswar Development Authority.

2.2.9.10 Lack of periodic review of validity period of building permission

Section 20 of ODA Act and Regulation 11 of PBSR 2008 of Bhubaneswar Development Authority stipulates that building plan permissions granted would remain valid up to three years, if not completed is required to be revalidated before its expiry which will remain valid for another one year.

Audit noticed that in 208 out of 433 test checked building plan approvals, the validity period of the permissions expired (2009-10) and completion certificate for the building was not furnished by owners/ architects. In absence of completion certificate and valid building plan, the owners/ architects were required to seek revalidation of the building plans. Bhubaneswar Development Authority did not verify whether the construction of these buildings with expired building plans were as per the approved plans or not. Due to such inaction of

⁵⁰ Arcux Realcon Private Limited over plot No N-4/42, Jayadev Vihar.

⁵¹ Room, not exceeding 30 *per cent* of the covered area on the top floor of the building with toilet and kitchen unit built contiguously.

Bhubaneswar Development Authority, even the extent of deviated constructions/ constructions without valid permission were neither available with Bhubaneswar Development Authority nor could be ascertained in Audit.

The Department stated (February 2013) that the ODA Act 1982 did not have mandatory provision for revalidation of an approved plan and it was at the option of the applicant. The reply is not tenable as in the absence of a valid building permission; the DA was empowered under Regulation 12 of PBSR 2008 not to allow further construction till plan is revalidated by the DAs.

2.2.9.11 Security Deposits management

Regulation 7 of the Planning and Building Standard Regulations (PBSR) 2008 required that builders undertaking construction of Group housing/ apartment/ commercial buildings were to maintain a Security Deposit (SD) at the rate of ₹ 100 per square meter (sqm) of floor area with the Bhubaneswar Development Authority. This was liable to be forfeited if the construction/ development was not made as per the approved plan.

Audit, however, noticed that after receiving SD in form of Bank Guarantees (BG), no register was maintained to watch their validity period. On this being pointed out in audit, Bank Guarantee register was maintained by recording the data in respect of 251 apartment/ high-rise plan files. Though the Planning Section asked the builders to submit fresh BGs or to revalidate the expired bank guarantees, only three builders revalidated their BG amounting to ₹ 7.46 lakh and other 30 builders neither revalidated their BG valued at ₹ 98.76 lakh nor furnished fresh BGs (June 2012).

Audit further noticed that there was shortfall of SD to the extent of ₹ 2.54 crore in 60 cases, as detailed in *Appendix-2.2.2* due to exclusion of basement/ stilt floor area from the total floor area of the buildings even though no such relaxation was allowed under the Regulation.

Thus, an important internal control mechanism to ensure compliance of construction with approved plans remained non operational. As a result, even in cases where deviations/ unauthorised constructions were detected by Bhubaneswar Development Authority, it was not in a position to forfeit the SD furnished by builders which could have otherwise acted as a deterrent against such deviated construction.

While admitting the facts, the Department stated (February 2013) that Bhubaneswar Development Authority was developing a computerised monitoring system to watch Bank Guarantees.

2.2.9.12 Inspections to detect deviations in construction

In order to comply with the Regulation in PBSR it is imperative for the DAs to inspect the constructions of the building for which plan have been approved. A test check of records of the inspection carried out by DAs revealed the following:

- As per Regulation 14 of PBSR of Bhubaneswar Development Authority and Regulation 22 of PBSR of Cuttack Development Authority, all

constructions were to be inspected by the DAs to ensure adherence to approved building plan. However, Audit noticed that no specific periodicity for carrying out such inspections was prescribed in the Regulations/ instruction of DAs. As a result, adequate number of timely inspections by the DAs could not be ensured. This situation was further exacerbated due to shortage of manpower in the DAs, as the number of inspections actually carried out to detect deviations in construction was not commensurate with the number of building plan approvals granted. Lack of adequate and timely inspections by the DAs resulted in instances of unauthorised and deviated constructions in the two cities going on unabated as detailed in **Paragraphs 2.2.10.1 and 2.2.10.2**. Further, unauthorised and deviated constructions could only be demolished upon receipt of complaints from public, rather than being detected at the construction stage itself, thus, rendering Regulation of the building plan approval mechanism inefficient and ineffective to this extent.

- Developers/ builders of buildings whose construction was completed were required to submit completion certificates to the DAs. As per Regulation 15 of PBSR of Bhubaneswar Development Authority and Regulation 22 of Cuttack Development Authority, a team of officials of the Authority were to visit the site and ensure that all public utilities were provided and building plan was adhered to, before issue of Occupancy Certificates by the Authority. Audit, however, noticed overwhelming instances of buildings being irregularly occupied without issue of Occupancy Certificates by the DAs, as discussed in **Paragraph 2.2.10.3**.
- Regulation 16 of PBSR of Bhubaneswar Development Authority required that periodic inspection of completed buildings may be undertaken within a time span of three to five years by a team of multi disciplinary professionals to report on compliance to bye-laws, natural lighting and ventilation and structural and electrical safety of the completed buildings. Violations noticed during inspection are to be addressed by the occupants within six months, failing which the buildings are to be declared unsafe by the DA. However, no such multi disciplinary team was constituted by Bhubaneswar Development Authority. In case of PBSR of Cuttack Development Authority, there was no such provision for periodic inspection of completed buildings by a multi disciplinary team. Audit noticed that no physical inspections were conducted by DAs to ensure safety of the high rise buildings.

2.2.10 Enforcement Mechanism

Section 91 and 92 of ODA Act, 1982 provide that where development in any area has commenced in contravention of the development plan or without the permission or in contravention of any condition, the empowered officer of Authority may, in addition to any prosecution make an order requiring the development to be discontinued/ removed. Accordingly, Bhubaneswar Development Authority designated one of its Officers as ‘Officer on Special Duty (OSD) under ODA Act’ and conferred the post with powers under Section

91 and 92 of ODA Act to make order directing removal of unauthorised development and to make orders requiring unauthorised development to be removed.

An Enforcement Wing was set up (1983) in both the Development Authorities, which was manned by Enforcement Officers conferred with powers under the provisions of ODA Act. The wing was to detect unauthorised development and construction in Master Plan Area of Bhubaneswar and Cuttack for initiation of ‘Unauthorised Proceeding (UAP)’ cases and to execute demolition order passed by the Court of OSD. Besides, Supervisors, Field Inspectors, Amins and Chainmen were working in the Wing as field staff. Amins were to look into unauthorised/ deviated construction in their respective areas under the supervision of the Supervisor and Field Inspectors. Audit, however, noticed the following deficiencies:

2.2.10.1 Lack of co-ordination between Planning and Enforcement Wing

Approved Building plans were not made available to the Enforcement Wing of the DA. As a result the Enforcement Wing was not able to identify the buildings to be inspected for possible deviation or detect unauthorised constructions.

Joint Inspection revealed that in 14 cases (BDA 8, CDA 6), constructions were completed deviating from the approved plan. Two multi-storeyed buildings were found to be constructed adjacent to National Highway, though the same was prohibited under Regulation 58(4C) of Bhubaneswar Development Authority. There were 15 buildings in Bhubaneswar Development Authority area including three⁵² of Government which were constructed without approved building plans. Thus, the existing enforcement mechanism provided no effective deterrence against unauthorised/ deviated constructions.



One S+6 building constructed at Ghatikia against the approved plan of S + 4 building



Police Commissionerate office at Bhubaneswar constructed without approval of building plan

The Department stated (February 2013) that the Planning Wing was sending copies of approval/ refusal of building permission to the Enforcement Wing since May 2012 and steps were being taken by the field staff to detect/ check unauthorised constructions.

⁵² (1) Annexe building of Nirman Soudh, (2) Fortune tower of IDCO and (3) Police Commissionerate building

2.2.10.2 Inadequate action on referred cases

Audit noticed that during 2007-12, out of 2944 cases referred to Enforcement Wing of Bhubaneswar Development Authority for investigation based on general complaints and petitions by public, investigation reports were not submitted by the officials concerned (field staff like Amin) in 527 (18 per cent) cases. Out of these 527 cases, in respect of 436 (83 per cent) cases more than one to four years had lapsed since the receipt of complaint, as indicated in Table below.

Table 2.2.2 Statement showing investigation of complaint cases

Year	Number of cases investigated	Number of cases for which report submitted	Number of cases of which investigation report not submitted
2007-08	308	231	77
2008-09	797	648	149
2009-10	652	573	79
2010-11	646	515	131
2011-12	541	450	91
Total	2944	2417	527

(Source: Data furnished by BDA)

Investigation Reports recommended either no action or further action such as demolition etc. Audit noticed that in 2417 cases, where reports were received, appropriate action was initiated. However, no effort was made to obtain reports in respect of 527 investigations where reports were not received even after a lapse of one to five years.

The Department admitted the above facts and stated (February 2013) that Enforcement Section of Bhubaneswar Development Authority was taking action against the erring officials and efforts were being made to obtain the reports of remaining complaints/ petitions. It further stated that there were various bottlenecks in curbing unauthorised construction including shortage of required manpower and adherence to lengthy legal procedure.

Reply is not tenable. As a regulator, it was incumbent on the DAs to take appropriate and timely action for violation of the PBSR.

2.2.10.3 Occupancy of the buildings without Occupancy Certificate

As per PBSR, upon completion of construction of the building, the owner/ empanelled architect/ structural engineer concerned is to serve a completion certificate in a prescribed form along with a prescribed fee to the DA indicating that the building has been completed in all respects as per the approved plan. The DA is to then inspect the said building within 30 days and issue 'Occupancy Certificate' (OC) within 30 days of such inspection certifying the worthiness of the building for human occupation. Only after issue of OC by the Authority, the building is to be occupied.

Audit further noticed that out of test checked 840 building plan approvals granted by Bhubaneswar Development Authority/ Cuttack Development Authority, OCs were issued only in two cases by Bhubaneswar Development Authority (June 2013).

Joint Inspection revealed that 28 buildings out of 63 test checked in Bhubaneswar Development Authority/ Cuttack Development Authority, were completed and occupied without the requisite OCs from the DAs concerned. No Objection Certificates from Fire Prevention Officers were also not insisted, even though 52 high rise buildings in Bhubaneswar were declared unsafe by the Fire Prevention Officer.

The Department stated (February 2013) that necessary modifications would be made in the Regulations to make the system more effective. It also stated that Government had already issued (January 2013) instructions for non-supply of electricity and water to those occupied buildings where Occupancy Certificates were not issued by Bhubaneswar Development Authority.

2.2.10.4 Non execution of demolition orders

Section 91 of ODA Act provided that in case of unauthorised and deviated constructions, the DAs would direct the owner of such constructions to remove the same by demolition within a period of 15 days from the date of issue of such direction. In case of failure, such demolition would be done by the Authority concerned at the cost of the owner.

- Audit noticed that in Bhubaneswar Development Authority, out of 19846 UAP cases registered against unauthorised/ deviated constructions including 437 high-rise buildings, Demolition Orders (DOs) were passed in 5687 cases during 1988-2012, of which in 4025 cases, the DOs were not executed even after expiry of five years from the dates of passing of the DOs. On test check of records, Audit also noticed that in 84 such cases pertaining to 2001-11, unauthorised apartment buildings were not demolished, due to inaction of Enforcement Wing. In Cuttack Development Authority, out of 136 unauthorised proceeding (UAP) cases up to March 2012, though DOs for 73 cases were passed but were not executed.



Encroachment of Govt. land by Satabdi Hospital at Tarol

Thus, due to lack of effective enforcement of demolition orders, builders who violated the Regulation continued unauthorised/ deviated constructions and irregular sale transactions as a consequence thereof.

Bhubaneswar Development Authority stated (November 2012) that it had only one excavator which was not sufficient to carry out the demolition work involving concrete and concrete base and that demolition orders had not been executed due to non availability of adequate police personnel as well as stay orders passed by various Courts.

The Department, however, assured (February 2013) that steps had been taken to adopt implosion method by controlled blasting technique to demolish all kinds of unauthorised/ deviated constructions safely.

2.2.10.5 Non-eviction of encroachment from land allotted to BDA and CDA

Rule 50 and 51 of ODA Rules, 1983 prescribed that the Authority should keep proper and up-to-date record of all immovable property belonging to it. Such Officer of the Authority as may be put in charge of the registers should ensure that the particulars of properties of the Authority are entered in such registers. He should also, at the interval of every three months, examine and certify that no such property of the Authority is being misused or has been encroached upon or unauthorisedly occupied. Section 51 of the ODA Act, 1982 states that any person continuing to occupy any land which he is not entitled to occupy under the preliminary town planning scheme, shall be summarily evicted by the Authority.

Audit, however, noticed that property/ asset registers were not maintained in prescribed forms to record all immovable properties of the Authority. These registers were also not reviewed periodically to ensure that the listed properties of the Authority were not being misused or encroached upon or unauthorisedly occupied.

Check of records in Bhubaneswar Development Authority and Cuttack Development Authority revealed that 39.396 acre land valued ₹ 105.55 crore was under encroachment by slum dwellers and other persons etc. as detailed in the table below:

Table 2.2.3 Encroachment in BDA and CDA

Name of the scheme	Nature of Encroachment	Area encroached (in acre)	Value of land encroached (₹ in crore)
Ananta Vihar Housing II, Pokhirput (BDA)	Open air stage	0.864	4.28
Lumbini Vihar Housing Scheme	Slum dwellers	1.722	7.75
Sector- 6 (CDA)	Slum dwellers	1.120	1.08
Sector- 9 (CDA)	Slum dwellers	28.670	57.34
Sector-12 (CDA)	Slum dwellers	7.020	35.10
Total		39.396	105.55

(Source: Information collected by audit from BDA & CDA)

Bhubaneswar Development Authority initiated UAP cases against encroachers but the encroachers were yet to be evicted. Thus, despite enabling provisions in ODA Rules 1983, the Authorities did not take effective steps for eviction of the encroachers and safeguarding of Government land allotted to them for development purpose.

A Joint Inspection further revealed that out of 63 buildings plan approval site, four applicants/ builders⁵³ had encroached upon Government land lying between their plots and public road by constructing boundary wall, main gate, security room and parking spaces for commercial use which were not in the knowledge of the DAs.

⁵³ (1) Metro Builders Private Limited (2) Smt Puspanjali Nayak (3) Satabdi Hospital Private Limited (4) Tulsi Spices and Food Private Limited

The Principal Secretary, assured (February 2013) to take appropriate action against the encroachers. The Department stated (June 2013) that in Cuttack Development Authority, a portion of land belonging to Government was made encroachment free and removal of balance encroachment would be expedited through eviction programme.

2.2.10.6 Residential houses used for commercial purposes

As per terms and conditions of brochures of various housing schemes under the two DAs, applicants were to furnish a declaration that they would not use the allotted residential plots/ houses for non-residential purposes. But, as per inspection reports of Bhubaneswar Development Authority which were later inspected by Audit (July-August 2012), 29 out of 51 houses allotted under 2001-02 HIG Housing Scheme at Jayadev Vihar, were fully or partly used for commercial purposes.

Joint Inspection of 12 residential houses in Prachi Enclave further revealed that two houses were being used to run academic and professional institutions⁵⁴.



Academic institution in Prachi Enclave (Plot No 55)



HIG-1 in 01-02 HIG Housing scheme at Jayadev Vihar being used for commercial purpose

Audit also noticed that in eight cases⁵⁵, the basement/stilt floors approved for parking purpose were being used for residential as well as commercial uses such as showrooms. Due to lack of periodic inspections, such instances of misuse remained undetected. The PBSR of both the DAs provide for demolition/removal of area specified for parking of vehicles in case of misuse.

The Department stated (February 2013) that show-cause notices were served on such allottees and appropriate action would be taken soon.

2.2.10.7 Inadequate follow up action on detection of false affidavits

Bhubaneswar Development Authority approved (August 2010) plan for 11 blocks of S+G+14 (Stilt+Ground+14 floors) multi-storeyed residential building of All Orissa State Bank of India Housing Co-operative Society over a site in Kalarahanga Mouza. Audit, however, noticed that at the time of plan approval, the land was not in the name of the Society as it transferred (December 2009) the ownership of the land to Mani Tirumala Projects Private Limited (MTPPL).

⁵⁴ Bhubaneswar Institute of Management, Pragati Prafulla +2 Science College.

⁵⁵ BDA: 4 cases (Plot No 1218 of B N Panda, Gopabandhu Nagar; Plot No 1153(p) at Rajarani, Radhika tower; Plot No 113 of M/s Clarionet Tarcon Private Limited, BJB Nagar and Plot No 1123 (P), Rajarani, Bijaylaxmi Apartment) and CDA: 4 cases (Plot No 948 (P) of Trilochan Sing Deo at Tulasipur; Plot 2241, Dr P K Mohanty, Jagatpur; Plot 110(P) of Metro Belview, Ramgarh; Plot No 805 of P Nayak, Ramgarh).

The Secretary of the Society submitted two affidavits (July 2010 and August 2010) declaring that the Society was the owner of the land, which was incorrect. The plan which was approved on the basis of such false affidavits was liable to be cancelled as per Section 17 of the ODA Act 1982. But, Bhubaneswar Development Authority had not taken any such action and MTPPL was allowed to proceed with construction of the project with 72100 sqm (776103 sft) built up area worth ₹ 155.76 crore⁵⁶, despite the fact that no permission was issued in favour of MTPPL.

On this being pointed out in Audit, Bhubaneswar Development Authority issued (July 2013) a notice to All Orissa State Bank of India Housing Co-operative Society requiring it to show cause as to why permission granted should not be cancelled since there was misrepresentation in the affidavit filed by it.

2.2.10.8 Delay in amendment of the ODA Act to strengthen enforcement capability

Bhubaneswar Development Authority proposed (February 2008) the Government in H&UD Department for approval of amendment of ODA Act by insertion of two new sub-sections under Section 91 and 92 to strengthen its enforcement mechanism with regard to seizure and sealing of unauthorised constructions over Government property and natural hazard prone areas without initiating proceeding and to pass orders for imposition of daily fines for every day of violation of such orders. Bhubaneswar Development Authority also furnished (March 2008) justification for such amendment as requested by the Department. Though there was immediate need to strengthen the Enforcement Wing, Bhubaneswar Development Authority did not pursue the matter and there was no further communication received from the Government in this regard.

The Department confirmed (February 2013) the above facts and stated that the State Government has been approached for strengthening the Enforcement wing through amendment in ODA Act.

2.2.11 Conclusion

Audit noticed that there was inordinate delay in preparation of Comprehensive Development Plans and non-preparation of Zonal Development Plans. This resulted in mixed land use patterns and disorderly development of the cities.

Allotment process was not transparent. Cases of multiple allotments of plots/houses made to individuals/ their spouses. Transfer of plots/ houses permitted without execution and registration of lease deeds were noticed.

There were delays in approval of building plans. Norms and standards of Building Regulations were not complied with. A scheme providing one time concession to the owners to regularise unauthorised/ irregular constructions was not implemented effectively.

There was lack of monitoring mechanism:

- i. to detect deviations in constructions;

⁵⁶ Average sales statistics (2009-11) of Bhubaneswar City collected from Inspector General (Registration), Odisha at ₹ 2007 per sft X 776103 sft = ₹ 155.76 crore.

- ii. to detect diversion of end use of building;
- iii. on enforcement action to evict encroachers of land and
- iv. to remove deviated construction or resume unutilised plots.

2.2.12 Recommendations

The Government may

- Ensure timely preparation of Zonal Development Plans for Bhubaneswar and Cuttack Development Planning Areas.
- Review all building plan approvals and allotments for necessary corrective action in case of irregular and deviated cases,
- Devise an effective system to make the allotment process transparent.
- Take adequate steps to protect Government land from encroachment including eviction of encroached land.
- Strengthen monitoring mechanism to prevent deviation in construction plans to ensure planned development of the cities.

Bhubaneswar
The

(Amar Patnaik)
Accountant General (G&SSA)
Odisha

Countersigned

New Delhi
The

(Shashi Kant Sharma)
Comptroller and Auditor General of India

Appendices

Appendix-2.1.1

(Refer paragraph -2.1.7.2 at page 8)

Statement showing promoter wise acquisition of land invoking emergency provision

(₹ in crore)

Sl No	Name of the promoter	No. of LA cases	Area in acre	Month of notification	Month of possession	LA cost	Current land cost at market rate
1	Action Ispat & Power Private Limited, Jharsuguda	1	119.1	December 2004	September 2005	2.75	1.31
2	Adhunik Metaliks Limited, Sundergarh	1	26.89	June 2005	August 2007	0.86	0.81
3	Aditya Aluminium Limited, Rayagada and Koraput	8	1138.14	September 2005 to October 2005	November 2008 to March 09	53.29	75.10
4.	Arati Steels Limited, Cuttack	4	112.18	November 2003 to March 2004	December 2004 to June 2005	2.43	11.29
5	BRG Iron & Steel Company Private Limited	3	133.36	September 2005	NA	6.02	16.54
6	Bhusan Steel & Strips Limited, Dhenkanal	14	140.24	March 2005 to November 2005	January 2007 to October 2009	2.99	17.39
7	Eastern Steel and Power Limited, Jharsuguda	1	13.87	February 2006	NA	0.47	1.35
8	Jindal Stainless Ltd., Jajpur	2	135.93	December 2005	March 2010	1.15	12.70
9	Jindal Steel and Power Limited, Angul	9	1054.04	September 2005 to April 2008	April 2008 to February 2009	41.58	210.81
10	MSP Metaliks Limited, Jharsuguda	1	97.52	February 2005	September 2006	2.16	3.90
11	RSB Transmission Limited, Cuttack	1	42.580	March 2007	Not handed over	0.43	0.76
12	Rungta Mines Limited, Dhenkanal	1	103.27	January 2006	July 2008	3.26	3.41
13	Sterlite Iron and Steel Company Ltd, Keonjhar	1	123.67	May 2008	Not handed over	10.05	2.72
14	SMC Power Generation Limited, Jharsuguda	1	47.38	October 2003	August 2004	1.01	2.60
15	Sterlite Energy Limited, Jharsuguda	8	1070.33	March 2005 to December 2005	NA	31.00	187.31
16	Vedanta Aluminium Limited, Jharsuguda	2	11.83	December 2005	April 2008 to January 2009	2.00	2.07
17	Jindal Steel and Power Limited (coal mining), Angul	2	154.250	October 2006	August 2009	8.25	12.34
			196.955	October 2006	August 2009	11.64	15.76
18	Kalinga Coal Mining Pvt. Ltd., Angul	2	175.620	January 2005	March 2007	14.16	14.05
			148.330	December 2004	March 2007	10.15	11.87
19	Monnet Ispat and Energy Limited, Angul	1	131.82	June 2003	February 2010	NA	16.15
		1	53.81	January 2005	August 2012	NA	
		1	16.21	January 2005	October 2011	NA	
20	Utkal Alumina, Rayagada	27	1778.21	May 1995 to April 96	April 1998 to April 2000	NA	117.36
Total		92	7025.535			205.65	737.6

(Source: **Records of RDM and IDCO**)

Appendix-2.1.2

(Refer paragraph 2.1.7.12 at page 16)

**Statement showing details of promoter wise under assessment of compensation
(₹ in crore)**

Sl No.	Name of Industry	Date of MoU	LA cases where under assessment noticed			Market value of land on the basis of highest of the sales statistics/ BMV/ lease value	Amount of short assessment (₹ in crore)
			No. of LA cases	Area in acre	Market value of land as fixed by LAOs		
1	Aditya Aluminium Limited, Koraput	08.04.2005	4	431.34	14.82	18.37	3.55
	Aditya Alumina Limited, Rayagada	08.04.2005	2	607.34	20.87	31.26	10.39
2	KVK Nilachal Power Private Limited	26 .09.2006	4	280.70	2.03	9.32	7.29
3	RSB transmission Private Limited	06.12.2006	8	166.78	1.31	4.79	3.48
4	Sahara India Power Corporation Limited	07.02.2009	6	622.44	4.37	26.11	21.74
5	Tata Power Limited	26.09.2006	7	102.566	6.70	9.99	3.29
6	Visa Power Limited	26.09.2006	2	335.083	4.2	9.51	5.31
			33	2546.249	54.3	109.35	55.05

(Source: Check of records of concerned Land Acquisition Officers/Collectors and sub-registrars concerned)

Appendix-2.1.3

(Refer paragraph 2.1.8.6 at page 21)

Statement showing the details of applications rejected on the ground of non-availability of land

Sl.No	Name of the unit	Purpose	Name of the IE	Area applied for (acre)	Extent of demand by entrepreneurs (acre)	Extent of land available in the IE (acre)	Total land available that could be allotted (acre)
1	Laxminarayan CPC	Calcined Petroleum Coke	Jharsuguda	5.000	5.000	3.336	3.336
2	Starlight Infra	PSC Poles, Concrete Sleepers	Jharsuguda GC	5.000	23.950	53.618	23.950
3	Mahavinayak Industries (P) Ltd.	Oxygen Gas	Jharsuguda GC	10.000			
4	Arian Hotel (P) Ltd.	Lodging and Boarding	Jharsuguda GC	3.000			
5	Cemtech Industries	Ecological Cement	Jharsuguda GC	4.950			
6	Mangturam Gases Pvt Ltd	Manufacturing of industrial gases	GC Jharsuguda	1.000			
7	Trupti Enterprises (P) Ltd	Automobile repairing and servicing workshop	Sambalpur	0.230	0.230	3.858	0.230
8	Tarini Spices	Spices Grinding	Rasulgarh	0.022	6.107	0.022	0.022
9	Sarada Engg. Works	General Fabrication & Steel Furniture	Rasulgarh	0.068			
10	S. S. Enterprises	Alluminium Wirer Rod.	Rasulgarh	0.068			
11	Annupurna Engineering works	M. S. Fabrication	Bhubaneswar	0.183			
12	Nyaya Bati	Printing news paper	Bhubaneswar	1.000			
13	Bikash Steel Industries	General Fabrication	Bhubaneswar	0.027			
14	Maa Sarala Garments	Garments	Bhubaneswar	0.091			
15	Hotel Royal Archid	Lodging & Boarding	Bhubaneswar	0.500			
16	M Engineering works	For aluminium power coating	Bhubaneswar	0.230			
17	Lexus Point Utkal	Paints & Chemicals	Bhagabanpur	0.229			
18	Utkal Bricks & Cokes	Fly Ash bricks	Bhagabanpur	1.000			
19	Indian School of Fire & Safety Engineering	Technical Institution	IE Bhubaneswar	2.000			
20	Arogya Homoeo Pharmaceuticals	Dilutions, mother tinctures, tablets, liquid oil and herbal cosmetics	Bhubaneswar	0.180			
21	Amit Packaging	Manufacturing of paper carry bag	Bhubaneswar	0.300			

Sl.No	Name of the unit	Purpose	Name of the IE	Area applied for (acre)	Extent of demand by entrepreneurs (acre)	Extent of land available in the IE (acre)	Total land available that could be allotted (acre)
22	Soudamine packaging industries	Manufacturing of badi & papada	Rasulgarh	0.025			
23	Annapurna Engineering works	Establishment of iron grill gate	IE Bhubaneswar	0.184			
24	Sayan Communications (P) Ltd.	Offset Printing	Mancheswar	0.183	0.432	27.459	0.432
25	OPELFED Booth	OPELFED Booth	Mancheswar	0.003			
26	Laxmi Nrusinhga Electronics	Transformer, coil & chokes	Mancheswar	0.115			
27	Hotel Nilachakra	Boarding & lodging	Mancheswar	0.058			
28	Biswanath Ghadei	OMFED Booth	Mancheswar	0.009			
29	Biswanath Behera	Commercial use	Mancheswar	0.023			
30	Maa Durga Spices	Spices	Mancheswar	0.041			
31	Lingaraj Engg workshop	General fabrication & engg. Workshop	Bhagbanpur	0.076			
32	Mega Engineers	Repairing og heavy & light	Bhagabanpur	0.230			
33	Krishna paints & chemicals	Mfg of Trepentine oil, primer, iron oxiee, thinner & paints	Bhagbanpur	0.250			
34	Maa Mangala Drinks	Packaged Drinking Water	Bhagbanpur	0.247			
35	Meheka Industries	For packaged drinking water	Bhagban pur	0.500			
36	Balukeswar industries	Automobile repairing, servicing Denting & penting	Bhagbanpur	0.115			
37	Spiritual Sky	Agarbati Manufacturing	Chandaka	0.045	58.220	98.108	58.220
38	Tamana Enterprisers	Restaurant	Chandaka I.E.	0.803			
39	Sarada Systems	Software Development/ Training and Data Processing unit	Chanda I.E	1.000			
40	Forum for Integrated Development & Research (FIDR)	Software Development, BPO	Chandaka I.E	0.229			
41	Printlink Computer & Communication (P) Ltd.	Software Development, Training and IT enabled service	Chandaka I.E	0.500			
42	Aventure Infosolution	Software Development	Chandaka I.E	3.000			

Sl.No	Name of the unit	Purpose	Name of the IE	Area applied for (acre)	Extent of demand by entrepreneurs (acre)	Extent of land available in the IE (acre)	Total land available that could be allotted (acre)
43	Hotel Pravupoada	Lodging & Boarding	Chandaka	1.000			
44	NK Media Ventures (P) Ltd	Oriya satellite channel	Chandaka	0.500			
45	Utkal Builders ltd	Multiplex shopping mall & food plaza	Chandaka	2.500			
46	Satya Prakashan	Offset printing press	Chandaka	0.115			
47	Akshay Tulsu Industries	Readymade garments	Chandaka	0.207			
48	Seven Hills Overseas ltd	Shopping mall & multiplex	Chandaka	4.000			
49	PS Concretes	PS concrete pole	Chandaka	3.000			
50	TCS Multiplex	multiplex & shopping mall	Chandaka	2.000			
51	Subha Sanu Industries	Cement/lime paint, mineral powder, oxide colour	Chandaka	0.230			
52	Anjali Soft Toys	Soft Toys	Chandaka	0.093			
53	Print & Foils	Rotogravure printed foils, wrappers & marble papers	Chandaka	0.506			
54	Pradipta kumar Pradhan	OMFED Booth	Chandaka	0.005			
55	Furniture House	Steel furniture & different park equipments	Chandaka	1.000			
56	BJ's Tandoor Delight	Lodging & Boarding	Chandaka	0.230			
57	Sri Jagannath Publication (P) Ltd	Publishing & printing	Chandaka	0.500			
58	Cell Mate	Noodles	Chandaka	0.230			
59	Autotake Power System	Voltage stabilizer, UPS, CVT, Power Inverter	Chandaka	0.074			
60	Aliza International Pvt Ltd	Multiplex	Chandaka	2.000			
61	Golden print pack	Corrugated paper box, Board & offset printing	Chandaka	1.000			
62	Jai Balaji plastic industries	Mfg of rigid PVC pipes	Chandaka	0.552			
63	OMM plastic industries	Mfg of pet bottles, injection and blow moulded plastics	Chandaka	0.230			

Sl.No	Name of the unit	Purpose	Name of the IE	Area applied for (acre)	Extent of demand by entrepreneurs (acre)	Extent of land available in the IE (acre)	Total land available that could be allotted (acre)
64	Suman polymers	Mfg of pet bottles & pet jars	Chandaka	0.230			
65	Mahakali attakala	Mfg of flour, spices rawa, suji	Chandaka	0.500			
66	MR Plastic	Computer forms & plastic folders	Chandaka	0.345			
67	Mahakash Renewables (India) ltd	R&D and manufacturing of solar photovoltaic cells & module	Chandaka	2.000			
68	Jay Bharati	Packaged drinking water	Chandaka	0.230			
69	Modern Infographic	Card Board boxes, file leaf, register & printing materials etc	Chandaka	0.070			
70	Maa sarala printers	Offset printing and multi colour printing unit	Chandaka	0.115			
71	Geo Spatial solution	Geo spatial solution	Chandaka	0.230			
72	Konark Stone Carving	Stone carving	Chandaka	0.091			
73	GLS Management (P) Ltd	Incl. Consultancy & Software development	Chandaka	1.000			
74	Tribeny Enterprises	Recommended for allotment by Director of Tourism vide letter No.1969 dt.06.02.10	Chandaka	1.000			
75	Swagitika Electronics	Assembling and servicing of computers	Chandaka	0.275			
76	Rudra Engineering Works	Fabrication works	Chandaka	0.103			
77	G.V.R Enterprisers	Manufacturing of panel boxes and switch board	Chandaka/ Khurda	1.000			
78	Triveni Enterprises	Hotel & Restaurant	Chandaka	1.000			
79	Rajalaxmi Garments	Readymade garments	Chandaka	0.138			
80	Regional College of Management Autonomous	MBA and PGDM	Chandaka	5.000			
81	Hotel Shanti Bhawan	Hotel & Restaurant	Chandaka	0.344			

Sl.No	Name of the unit	Purpose	Name of the IE	Area applied for (acre)	Extent of demand by entrepreneurs (acre)	Extent of land available in the IE (acre)	Total land available that could be allotted (acre)
82	Inknowtech Private Ltd.	Network Operation centre/ IT Operation	Infocity-I	5.000			
83	E-Tribz	Software Development, BPO & KPO	Chanda I.E/ Infocity-II	2.000			
84	Cobi Systems Pvt. Ltd.	Software Development	Infocity-I/Infocity-II	5.000			
85	N. K. Media Venture (P) Ltd.	Broadcasting News etc.	Chandaka I.E.	7.000			
86	Nalini food products	Mfg of pickles, jelly, jam, sauce & tamato auce etc	Chandaka/Khurda	0.500	40.220	37.899	37.899
87	Liase Packaging Industries	Pet Bottle Mfg.	Khurda	0.344			
88	Sritek Industries	Handmade Paper	Khurda	0.137			
89	Legend Pharmaceuticals	Pharmaceuticals & Packaged Drinking Water	Khurda	0.459			
90	Rishab Packaging	Manufacturing of corrugated box	Khurda	0.918			
91	Mandakini Enterprises	Flyash bricks	Khurda	1.990			
92	Liase Pakaging Industries	Pet Bottle Manufacturing	Khurda	0.344			
93	Legend Pharmaceuticals	Pharmaceuticals & Packaged Drinking Water	Khurda	0.459			
94	Bateswari Engineerings	K. Nail, G. I. Wire, L.Hooks Etc.	Khurda	0.114			
95	Jyoti Minerals & Chemicals	Fire Clay	Khurda	0.746			
96	Baisnabidevi Udyog	PVC pipe	Khurda	0.330			
97	Krishna Auto works	Automobile repairing	Khurda	1.000			
98	Swosti Educational Foundation	Institute of Hotel Management	Khurda	5.000			
99	LCG Plastech,	Estt of PVC Pipes	Khurda	1.000			
100	Sri Jagannath Concrete Products (P) Ltd	Estt. Of concrete poles	IE Khurda	5.000			
101	Maa Sarala food products	Processing of dal & dal products	Khurda	0.345			
102	Sri Mahavir Agro foods	Mfg of rice flake (chuda)	Khurda	0.161			
103	Dattatreya food process	cashew nut processing unit	Khurda	1.000			

Sl.No	Name of the unit	Purpose	Name of the IE	Area applied for (acre)	Extent of demand by entrepreneurs (acre)	Extent of land available in the IE (acre)	Total land available that could be allotted (acre)			
104	Rana Industries	Stone statue, stone carving, applique	Khurda	0.460						
105	Spike Pestochem (P) Ltd	Pesticide Formulations	Khurda	1.000						
106	Sunita packaging Industries	Packaging products	Khurda	0.120						
107	Tara Bakery	Mfg of bakery, bread, biscuit, cake	Khurda	2.000						
108	SG Enterprises	Milk based products, namkeen and snack food items.	Khurda	1.000						
109	Puran ispat Pvt ltd	Mfg of Iron & steel casting as well as fabrication of steel materials	Khurda	3.000						
110	DP Galvanisers	For setting up a Galvanising unit.	Khurda	4.000						
111	Dona Entreprises	Mfg of powder coated iron furniture	Khurda	0.345						
112	SR Industries	Mfg of voltage stabilizer, cut & UPS.	Khurda	0.069						
113	Sai Omm Garments & Apparels	Ladies garments	Khurda	0.459						
114	Sea Mark bio organic (P) Ltd	Pharma Products	Khurda	3.000						
115	Ajanta Bricks	Fly Ash bricks	Khurda	1.000						
116	Mahalaxmi Services	MS Vessel and light fabrication	Khurda	0.230						
117	OM Enterprises	Ice cream manufacturig unit	Khurda	0.230						
118	Jagannath Binding Wire	Binding wire	Khurda	0.230						
119	Geetup Brewing	Packaged drinking water	Khurda	0.230						
120	Black Berry Power (P) Ltd	Concrete products	Khurda	3.000						
121	Venus Shoes & Leather Products	Leather products	IID Khurda	0.500				9.250	5.042	5.042
122	Premier footwear	Foot wear	IID Khurda	0.500						
123	Navodaya trust	Educational Institution	IID, Khurda	7.000						
124	Premier footwear	Foot wear	IID Khurda	0.500						
125	TR Motors	Automobile Body Building, Remodeling, Denting & Painting	Khurda IID	0.250						

Sl.No	Name of the unit	Purpose	Name of the IE	Area applied for (acre)	Extent of demand by entrepreneurs (acre)	Extent of land available in the IE (acre)	Total land available that could be allotted (acre)
126	Mehta Packaging Industry	Manufacturing of Packaging materials(Card Board Boxes)	Khurda IID	0.500			
127	Rajdhani Food	Manufacturing of pickles, Jaily jam & Tamato Souce etc	FPP Khurda	0.230	17.995	7.062	7.062
128	Bhagban Agro food	Manufacturing of pickles, squace, tamatosauce etc.	FPP Khurda	0.345			
129	Adarsh Food Udyog	production of food 7 spices etc.	FPP Khurda	0.500			
130	Rajdhani food	Mfg of pickles, jelly, jam, sauce & tamatoauce etc	FPP Khurda	0.230			
131	Minakshi industries	Spice grainding, like haladi, chilli, dhania, jeera etc	FPP Khurda	0.230			
132	Mamata food industries	Fruit jam, Tamato sauce, pickles, noodles etc, manufacturing unit	FPP Khurda	0.207			
133	Puspa Foods & Spices Industries	Processing of spices	FPP Khurda	0.253			
134	S.R.Industries	Spices manufacturing unit	FPP Khurda	1.000			
135	Jagannath Rice Mill	Atta Maida Suji	Khurda IE/FPP	5.000			
136	Maa Bhuasuni Roller Flour Mill	Atta Maida Suji	Khurda IE/FPP	5.000			
137	Shree Jagannath Roller Flour Mill	Suji Maida flour	Khurda IE/FPP	5.000			
138	Santosh Polymers	Manufacturing of plastic disposable glass cups, plates etc	Khurda/ Sarua	1.000	38.856	28.107	28.107
139	Jay Granites	Polished granite slab & tiles	Sarua	4.000			
140	Mahavir Industries	Fly ash & cement concrete bricks	Sarua	3.000			
141	Newlaxmi steels	Expansion of the unit	Sarua	0.856			
142	Lingraj granite pvt ltd	Polishing of granite	Sarua	10.000			
143	Nabalaxmi Rocks (P) Ltd	Granite cutting & poisjing unit	Sarua	20.000			

Sl.No	Name of the unit	Purpose	Name of the IE	Area applied for (acre)	Extent of demand by entrepreneurs (acre)	Extent of land available in the IE (acre)	Total land available that could be allotted (acre)
144	Indobiz International	Computer Paper & Computer billing papers	Janla I.E	0.229	1.479	0.670	0.670
145	Mamata packaging	Corrugated fiber board 7 boxec manufacturing unit	Janla	0.250			
146	Samridhi Mines (P) Ltd	Pig lead processing	Janla	1.000			
147	Gupta Metallurgicals	Metallurgical Coke	I.E Choudwar	10.000	20.000	92.223	20.000
148	Kandoi Automobiles	Metallurgical Coke	I.E Choudwar	10.000			
149	Laxmi Coir Products	Coir rope & Coir Mat	I.E. Cuttack	0.040	0.290	5.805	0.290
150	Sai Ortho Aids	Orthopaedic appliance	Cuttack	0.250			
151	Tridev Fabrication	Fabrication	Kendrapara	0.230	0.230	3.446	0.230
152	Eastern Food (P) Ltd.	Atta, Maida, Suji, Bran & Spices	Jagatpur New	5.189	5.469	31.233	5.469
153	Biswaguru Industries	Heavy machine and lathe work	Jagatpur(New)	0.280			
154	Parmhans Industries	Setting up a modern dal mill	Jagatpur	0.500	2.680	5.973	2.680
155	Jagannath Institute of Engineering and Technology	Engineering college	Jagatpur	2.180			
156	Ojha metal industries	Fabrication & steel furniture	Balasore	0.069	0.069	3.368	0.069
157	Vandana Inc	Packaged drinking water	Kalunga	0.750	0.750	53.236	0.750
158	Sri Bairagi Plastics	Plastic granuals	Rourkela	0.250	0.250	3.874	0.250
	Total			232.895	232.895	468.357	196.126

(Source: *Records of IDCO*)

Appendix-2.1.4

(Refer paragraph-2.1.8.6 at page 21)

**Statement showing details of additional land allotted without recommendation of
District Level Single Window Clearance Authority**

(Area in acre and ₹ in crore)

Name of the entrepreneur	Name of the Industrial estate/ area	Land allotted earlier	Additional land allotted by IDCO	Additional land whether utilised	Rate per acre of IDCO land	Cost of vacant land as per IDCO's land rate
Falcon Marine Export Pvt Limited	Chandaka	11.72	3.001	land lying vacant	75.00	2.25
Kurlon Limited	Chandaka	6.978	2.023	land lying vacant	75.00	1.52
Maa Bhubaneswari Hotel	Chandaka	0.344	0.039	land lying vacant	75.00	0.03
Nilachakra Chemicals	IID, Khurda	0.093	0.064	Total land lying vacant including the original allotment	30.00	0.02
Umanga Cold Storage	Chandaka	2.405	0.337	Sub-letted to different business houses	75.00	0.25
Lingaraj Granite	Chandaka	1.006	0.714	Utilising	75.00	0.54
St. Shiridi Sai Educational Society	Chandaka	5.711	1.970	Land lying vacant	75.00	1.48
TOTAL						6.09

(Source: Compiled from information of IDCO)

Appendix-2.1.5
(Refer Paragraph-2.1.8.8 at page- 22)

Statement showing land allotted on the basis of Mutual Transfer during the period from 2001-12

SI No	Name of the Division	Name of the Industrial Estate/Areas	Total Number of units	Total area of land (In acre)	Cost as per IDCO (₹ in lakh per acre)	Total cost of land (₹ in lakh)
1	Cuttack	Jagatpur (New)	87	29.249	75.00	2193.68
2		Paradeep	3	0.545	30.00	16.35
3		Kendrpara	1	0.129	20.00	2.58
4		Choudwar	10	12.848	30.00	385.44
5		Cuttack	16	2.383	75.00	178.73
6		Jagatpur (Old)	6	5.552	30.00	166.56
7		R.D.Pur	3	0.950	10.00	9.50
8	Jajpur Road	Jaraka	1	0.199	10.00	1.99
9	Keonjhar	Matkambeda	1	18.466	20.00	369.32
10		Barbil	1	0.261	20.00	5.22
11	BCD-II	Chandaka	51	61.012	75.00	4575.90
12		IE Khurda	3	11.066	30.00	331.98
13		IID Khurda	5	11.468	30.00	344.04
14		FPP, Khurda	6	6.500	30.00	195.00
15		Sarua	4	21.709	20.00	434.18
16		Nayagarh	3	1.624	10.00	16.24
17	BCD-I	Mancheswar	161	59.463	75.00	4459.73
18		Bhagbanpur	7	6.481	75.00	486.08
19		Rasulgarh	6	0.860	75.00	64.50
20	Rourkela	Kalunga	40	41.901	50.00	2095.05
21		Rourkela	8	2.957	75.00	221.78
22	Jharsuguda	Jharsuguda	5	4.276	30.00	128.28
23		Sambalpur	6	1.598	30.00	47.94
24	Angul	Angul	6	2.322	80.00	185.76
25		Talcher	2	2.260	10.00	22.60
26		Gundichpara	4	81.730	16.50	1348.55
27		Mahisapat	2	0.438	16.50	7.23
28		Bhuban	1	2.060	10.00	20.60
Total			449	390.307		18314.78

(Source: Records of IDCO divisions)

Appendix-2.1.6

(Refer Paragraph-2.1.8.8 at page- 22)

Statement showing the list of nature of industries by the transferor and transferee in case of mutual transfer

SI No	Name of the transferror	Nature of the industry	Name of the transferee	Nature of the industry
1	Kalyani Flour Mill	Flour Mill	Banamali industries	General Fabrication
2	PGL Plastic Tubes Ltd	Manufacturing of PVC pipe	Kalinga Institute of Industrial Technology	Educational Institute
3	Kalinga Software (P) Ltd	Software development	Kalinga Institute of Industrial Technology	Educational Institute
4	B Engineers/ Corrosion Protection Pvt Ltd	LPG cylinder with valve	Kalinga Institute of Industrial Technology	Educational Institute
5	Utkal Tubes	Manufacturing of GI pipes	Kalinga Institute of Industrial Technology	Educational Institute
6	Package India	Corrugated Board & Boxes	Kalinga Institute of Industrial Technology	Educational Institute
7	Mangalachand Telecom (P) Ltd	Manufacturing of Jelly filled telecom cables	Kalinga Institute of Industrial Technology	Educational Institute
8	New Life Healthcare	Exercise cycle assembling unit	Kalinga Institute of Industrial Technology	Educational Institute
9	Minu Concrete	RCC pipes, sky lights, flour vessel etc	Kalinga Institute of Industrial Technology	Educational Institute
10	Mineral Rocks & Products	Crushing & grinding of mineral rocks	Kalinga Institute of Industrial Technology	Educational Institute
11	Arya Aluminium Pvt Ltd	Manufacturing of aluminium grills	Kalinga Institute of Industrial Technology	Educational Institute
12	SK Industries	Establishment of paddy processing unit	Kalinga Roofing Solutions Pvt Ltd	Manufacturing of galvalume sheet unit
13	Pat Coir,	Coiryam, coir door mates, coir ropes & flooring manufacturing	Krishna Palace	Lodging & Boarding Unit
14	Santoshi Rice Mill	Rice mill	Total Infrastructure Pvt Ltd	Infrastructure Technology
15	Santoshi Rice Mill	Rice mill	Total Infrastructure Pvt Ltd	Infrastructure Technology
16	Trendy Bottling	Mineral water	Trendy Resorts & Hotel	Establishment of resorts and hotels
17	Sea Land Fisheries (P) Ltd	Freezing plant, processing & import of fish & fisheries products	Umang Cold Storage	Cold Storage
18	Raj Ice Industries/Lucky Enterprises	Ice slab unit	Lucky Enterprises	Package drinking unit
19	Raj Ice Industries	Ice slab unit	Lucky Enterprises	Package drinking unit
20	Tulu Chemicals	Manufacturing of white & black phenyle	Durgamasini Engineering Works	FRP Moulded products
21	Proud Indians International	Manufacturing of electronic ballast	Maa Sarala Agro Foods	Production of besan, atta and spices
22	Cold Forge Pvt. Limited	Establishment of aluminium containers manufacturing unit	Orissa Trust of Technical Education & Training	Institutional purpose

Sl No	Name of the transferror	Nature of the industry	Name of the transferee	Nature of the industry
23	M.J Garments	Manufacturing of readymade garments	Payal Steel Industries	Steel furniture etc
24	Shivam Automobiles	Servicing and repairing of vehicles	M/s R.J Logistic Pvt Ltd	PSC pole manufacturing unit
25	Sandip Industries	Manufacturing of phenyle, liquid soap etc	Ramsuresh Industries	Similar unit
26	M/s Nur Hussain Umbrella Unit	Assembly of umbrella & manufacturing of umbrella handles, kala, chhaka, caps of plastics	SK Industries	PVC Hardware Sanitary, Electrical Fitting, & Corrogated Pipe Mfg. Unit
27	M/s Nur Hussain Umbrella Unit	Assembly of umbrella & manufacturing of umbrella handles, kala, chhaka, caps of plastics	SK Industries	PVC Hardware Sanitary, Electrical Fitting, & Corrogated Pipe Mfg. Unit
28	M/s Adisakti Garments	Manufacturing of garments	Sambhusaro Engineering Works	Repair & Service of Road Roller & Others
29	M/s Mamata Drinks Pvt. Ltd	Soft drink unit	Shailaja's Organic Prod Pvt Ltd	Manufacturing of solar cooker unit
30	M/s Mamata Drinks Pvt. Ltd	Soft drink unit	Shailaja's Organic Prod Pvt Ltd	Manufacturing of solar cooker unit
31	Reliance Motors	Repairing and servicing of automobiles	Shreeram Motors	Repairing & Servicing of Automobiles
32	JBS Cera Decors	Processing of ceramic tiles	Suntony Sinage Pvt Ltd	Manufacturing of neon and glow signs
33	Plasto Tech Pvt Ltd	Manufacturing of LLDPE films & bag	Appliance City	Assembling of air conditioner
34	Kalinga Hatchery Pvt Ltd	Poultry farm	Life Line Protein & Care Pvt Ltd	IT park
35	Balaji Broiler	Brolier and meat farm	Niladri Finance	Card Board Boxes Mfg. Unit
36	Balaji Broiler	Brolier and meat farm	Niladri Finance	Card Board Boxes Mfg. Unit
37	Niladri Food Products	Manufacturing of & cakemechanise bread, biscuits and cake	Tara Tarini Packaging	HMHDP/LLDPE/ LDPE/PP Film and Bags
38	M/s Derby Industrial Projects Pvt Ltd	Liquid oxygen cum explosive plant	M/s International Mineral Trading Company Pvt Ltd	Manufacturing of 1.5 MTPA beneficiation plant
39	Kalinga Hatchery Pvt Ltd	Poultry farm	M/s Rameshwar Agro Industries Pvt Ltd	Rice mill
40	Brother's Poultry Farm Pvt Ltd	Poultry unit	Prince International Health Care Pvt Ltd	Iron fortified salt

(Source: Information from the records of IDCO)

Appendix 2.1.7
(Refer paragraph 2.1.8.9 at page 24)

Statement showing short realisation of differential cost on transfer of land to KIIT

(₹ in lakh)

Name of the allottee	Plot No	Month of mutual transfer	Cost of land as per bench mark valuation	Differential cost realised	Short realisation
	Area (in acre)				
PGL Plastic Tubes Industries	12/C/ 0.989	October 2010	494.50	21.42	473.08
Kalinga Software (P) Limited	20/A/	December 2010	1000.00	50.00	950.00
	2				
B. Engineers & Builders Limited	28/	December 2010	2414.00	120.78	2293.22
	4.828				
Utkal Tubes	31/	October 2010	775.00	38.75	736.25
	1.55				
Package India	63/	November 2010	75.00	5.03	69.97
	0.15				
Mangalchand Telecom Pvt. Limited	51/	February 2011	1752.00	87.60	1664.40
	3.504				
New Life Health Care	A/8 and A/9/	December 2011	493.50	55.52	437.98
	0.987				
Total			7004.00	379.10	6624.90

(Source: *Compiled from information of IDCO*)

Appendix-2.1.8

(Refer Paragraph-2.1.9.4 at page 28)

**Statement showing details of short assessment of Incidental charges (IC), ground rent (GR) and cess
(` in lakh)**

Name of the District	Name of the Industry	No. of lease cases	Area in acres	IC	GR	Cess	Total
Cuttack	Arati Steels Limited	11	630.98	49.02	2.36	1.77	53.15
	Ultratech Cement Limited	02	90.00	27.27	0.93	0.64	28.84
	K.V.K Nilachal Power limited	08	188.22	37.64	0.00	0.00	37.64
	OCL India Limited	01	9.27	0.93	0.00	0.00	0.93
	Tata Power	14	91.343	74.28	5.60	4.20	84.08
	Visa Power	03	159.960	32.00	0.00	0.00	32.00
Rayagada	Aditya Aluminium Limited	05	47.56	33.76	2.90	2.17	38.83
Koraput		04	478.24	191.32	17.67	13.26	222.25
Bolangir	Sahara India Power Corporation Ltd.	17	75.86	34.67	3.09	2.32	40.08
TOTAL		65	1771.433	480.89	32.55	24.36	537.80

(Source: *Examination of records of Collectors, Tahasildars and sub-registrars concerned*)

Appendix-2.1.9

(Refer paragraph-2.1.9.4 at page 29)

Statement showing the period of outstanding dues against industrial units

SI No	Name of the Division	Name of the industrial estate/ area	Total no units against which dues outstanding	Period ranged upto 5 years	Period ranged upto 10 years	Period ranged beyond 10 years
1	BCD-I	Rasulgarh	87	71	4	12
2		Mancheswar	730	621	48	61
3		Bhagabanpur	116	97	6	13
4		Janla	27	15	3	9
5		Anlapatna	2	2	0	0
6		Gothapatna	5	5	0	0
7		Ramchandrapur	1	1	0	0
		TOTAL	968	812	61	95
8	Jajpur Road	Jaraka	11	6	0	5
9		Bhadrak	9	5	2	2
		TOTAL	20	11	2	7
10	Cuttack	Choudwar	46	35	1	10
11		Paradeep	25	19	3	3
12		Kendrapara	8	8	0	0
13		Nuasasan	0	0	0	0
14		Athagarh	10	1	1	8
15		Cuttack	119	91	15	13
16		Jagatpur (New)	348	267	39	42
17	Jagatpur (Old)	23	16	6	1	
		TOTAL	579	437	65	77
18	Keonjhar	Matkambeda	13	13	0	0
19		Barbil	13	13	0	0
20		Keonjhar	8	6	0	2
		TOTAL	34	32	0	2
21	BCD-II	Chandaka	449	402	27	20
22		FPP, Khurda	62	60	2	0
23		Nayagarh	18	11	1	6
24		Infocity	37	33	3	1
25		Khurda	50	41	3	6
26		IID, Khurda	41	36	5	0
27		Sarua	27	25	0	2
28		Kurki	3	3	0	0
		TOTAL	687	611	41	35
29	Angul	Not furnished				
30	Rourkela	Not furnished				
		Grand Total	2288	1903	169	216

(Source: Information compiled from records of IDCO)

Appendix 2.1.10

(Refer Paragraph 2.1.10.8 at page 37)

Statement showing names of projects/ industries who started construction activities/ constructed industry on non forest land pending forest clearance from Ministry of Environment and Forest, Government of India

Sl No.	Name of the industries (District)	Date of the signing of MOU	Land recommended by IPICOL (in acre)	Land allotted (in acre)		Forest clearance pending for land (acre)
				Government	Private	
1	Bhusan Energy Limited (Angul)	26 Sept 2006	1400	8.400	91.60	282.749
2	Eastern Steels & Power Limited (Jharsuguda)	3 Nov 2005	140	0	63.1	1.75
3	JSL Ltd (Formerly M/S Jindal Stainless Limited) (Jajpur)	9 June 2005	1540	575.030	855.260	24.56
4	KVK Nilachal Power Limited, Cuttack	26 Sept 2006	834.558	123.680	0	32.70
5	Monnet Ispat & Energy Limited (Power), Angul	26 Sept 2006	950	285.630	157.900	45.180
6	Patnaik Steel & Alloys Limited, Keonjhar	4 May 2005	174.78	55.11	0	95.36
7	SMC Power Generation Limited (Jharsuguda).	26 Dec 2003	284	189.93	47.38	44.25
8	Vedanta Aluminium Limited, Jharsuguda	4 April 2007	3350	508.51	1350.10	7.39
Total			8673.338	1746.29	2565.34	533.939

(Source: *Test check of records of IDCO and information furnished by IDCO*)

Appendix-2.1.11

(Refer Paragraph 2.1.10.9 at page 38)

Statement showing details of status of creation of green belt by the promoters of industries who had started production/ partial production

Sl No	Name of the District	Promoter's Name	Land allotted	Status of green belt
1	Dhenkanal	Bhushan Steel Limited	1554.07	No green belt
2	Dhenkanal	BRG Iron & Steel Company Private Ltd	25.390	No green belt
3	Dhenkanal	MGM Steels Limited	62.860	No green belt
4	Keonjhar	Brand Alloys Limited	23.620	No green belt
5	Keonjhar	Beekay Steel & Power Limited	17.650	No green belt
6	Sambalpur	Rathi Steel & Power Limited	160.540	No green belt
7	Cuttack	Arati Steels Limited	742.160	Inadequate
8	Cuttack/Jajpur	OCL India Limited (Cement)	183.77	Inadequate
9	Jharsuguda	Sterlite Energy Limited	425.860	Inadequate
10	Dhenkanal	Narbehram Power & Steel (P) Limited	200.890	Inadequate
11	Jagatsinghpur	Essar Steel Orissa Limited	298.431	Inadequate
12	Jajpur	JSL Limited	1430.29	Inadequate
13	Jajpur	Maithan Ispat Limited	125	Inadequate
14	Jajpur	Visa Steel Limited	562.902	Inadequate
15	Jharsuguda	Action Ispat & Power Limited	348.630	Inadequate
16	Jharsuguda	MSP Metallica Private Limited	132.720	Inadequate
17	Jharsuguda	SMC Power Generation Limited	237.310	Inadequate
18	Jharsuguda	SPS Steel & Power Limited	154.080	Inadequate
19	Jharsuguda	Vedanta Aluminium Limited	1858.610	Inadequate
20	Keonjhar	Deepak Steel & Power Limited	24.540	Inadequate
21	Keonjhar	Patnaik Steels & Alloys Limited	55.110	Inadequate
22	Sambalpur	Aryan Ispat & Power Limited	170.130	Inadequate
23	Sambalpur	Bhushan Power & Steel Limited	1582.530	Inadequate
24	Sambalpur	Shyam Metallica & Energy Limited	183.320	Inadequate
25	Sambalpur	Viraj Steel & Energy Limited	83.150	Inadequate
26	Sundargarh	Adhunik Metallica Limited	107.210	Inadequate
27	Sundargarh	OCL Iron and Steel Limited	12.650	Inadequate

(Source: Records of IDCO, information furnished by IPICOL and joint physical inspection of industries with IDCO/Revenue officials)

Appendix 2.2.1
(Refer paragraph 2.2.7.6 at page 50)
Statement showing vacant plots allotted under Discretionary Quota

SI No	Name of the allottee	Plot No (2400 sft each)
Prachi Enclave plotted scheme Phase I		
1	Babita Sar	126
2	Pratima Das, W/o Kalpataru Das	42-C
3	Raj Kumar Sharma	130-C
4	Rajaram Satpathy	38
5	Satyajit Mohanty	73-C
6	Sobhamayee Dehury, transferred to Narmada Pradhan	109
7	Srimoy Kar	21
8	Vishal Kumar Dev	62 A
Prachi Enclave plotted scheme Phase II		
9	Anusuya Mishra, W/o Debiprasad Mishra	236
10	Aswini Kumar Vaishnaw	242
11	Gouranga Kinkar Das (transferred to Rasmi Das)	186
12	Pratap Kumar Samal	247-C
13	Pritam Mohapatra	238
14	Ravi Kumar Sahani & Poonam Sahani	187

(Source:-Data collected by Audit from BDA record and Joint Physical verification of site)

Appendix- 2.2.2
(Refer paragraph 2.2.9.11 at Page 63)
Statement showing short collection of security deposit

(Amount in ₹)

SI No	File No	Name of the builder/project	Date of Receipt	Date of Conditional permission accorded	Security deposit less collected (in ₹)					
					Total coverage area (in Sqm)	Rate per sqm)	SD Due	SD Deposited	Short Deposit of SD	
1	BP2B-1839/06	Tapan kumar Mohanty, Director of M/s Z Engineers Construction Pvt.Ltd.	07-Dec-06	09-Oct-09	6305.12	100	630512.3	500771	129741	
2	BP2B-388/07	Subash ch Bhura (M/s Utkal Builder Pvt. Ltd.)	28-Feb-07	12-Jan-09	28891.4	100	2889143	0	2889143	
3	BP2B-464/08	Sandy Resort (Hotel)	11-Apr-08	20-Mar-09	10148.3	100	1014833	0	1014833	
4	BP1B-526/08	P.K.Swain, General Manager, LIC HFL Care Homes Ltd.	24-Apr-08	21-Aug-10	35453.8	100	3545380	3178021	367359	
5	BP2B-677/08	Subash ch. Bhura	19-May-08	11-Aug-09	8211.04	100	821103.7	566100	255004	
6	BP2B-608/05 & BP2B-804/08	Pravarajan Patnaik	07-Jun-08	17-Feb-09	21411	100	2141100	0	2141100	
7	BP3B-250/09	Subash Bhura, Director of M/s Utkal Builders Pvt Ltd.	04-Feb-09	16-Apr-09	62301.1	100	6230112	4577500	1652612	
8	BP2B-1783/09	M/s-A.K.Das Associate Ltd.	07-Jul-09	29-Jul-10	18997.7	100	1899771	1116022	783749	
9	BP2B-1819/09	N.R.Patnaik, MD-Jaganath Construction (P) Ltd.	10-Jul-09	17-Aug-10	5926.18	100	592618.4	453523	139095	
10	BP1B-2222/09	P.K.Sutar, M.D. of M/s Dattatreya Construction Pvt.Ltd.	27-Aug-09	04-Aug-10	13154.5	100	1315451	930387	385064	
11	BP2B-2448/09	Dalbirsingh Arora (Royal Hotel)	19-Sep-09	10-Jun-11	21528.4	100	2152844	1386353	766491	
12	BP3B-2744/09	Dillip Prasad Shaw	16-Oct-09	09-Aug-10	28923.4	100	2892336	2226580	665756	
13	BP2B-87/10	Srinibas Sahoo (Rohini Resort Pvt.Ltd.)	12-Jan-10	23-Sep-10	15743.7	100	1574374	895566	678808	

Sl No	File No	Name of the builder/project	Date of Receipt	Date of Conditional permission accorded	Security deposit less collected (in ₹)				
14	BP2B1853/10	S.K.Jena, General Manager. of DLF	07-May-10	25 Feb 11	40381	100	4038100	3600700	437400
15	BP2B-2298/10	S.K.Mishra, Project Director of Air Force Naval Housing Board	07-Jun-10	12-Oct-10	45205.7	100	4520570	3238867	1281703
16	BP2B-4475/10 & BP2B/8231/11	Ajit Hans (M/s Lalchand Builder)	18-Nov-11	19-Jun-12	7157.5	100	715749.9	464489	251261
17	BP2B-1472/07	Monaj kumar Panda	12-Oct-07	16-Mar-09	1135.586	100	113559	90833	22726
18	BP2B-833/08	Nihar Ranjan Pattnaik, M.D. of M/s Jagannath Construction Pvt Ltd.	13-Jun-08	30-Sep-09	1358.662	100	135866	108736	27130
19	BP3B-942/08	P.K.Routray	11-Jul-08	12-Nov-09	1758.411	100	175841	133541	42300
20	BP2B-1209/08	Om prakesh Mishra (Swanasakha Estate and Builders pvt.Ltd).	26-Aug-08	01-Jul-09	4201.495	100	420150	322937	97213
21	BP2B-1591/08	Himansu Sekhar Pati	03-Nov-08	30-Dec-08	944.9788	100	94498	0	94498
22	BP 2B-1702/08	Ramtek Software Solution Pvt. Ltd.	14-Nov-08	05-Feb-11	12773.38	100	1277338	708000	569338
23	BP2B-1761/08	M/s Anupam Realcon Pvt Ltd	22-Nov-08	03-May-10	1321.41	100	132141	99145	32996
24	BP3B-1763/08	Sujata Patra	22-Nov-08	24-Mar-09	775.4363	100	77544	58000	19544
25	BP3B-1764/08	Biranchi narayan Panda	22-Nov-08	24-Mar-09	775.4363	100	77544	58000	19544
26	BP1B-1981/08	Kuntala Singh	23-Jun-09	22-Dec-09	1495.783	100	149578	119200	30378
27	BP1B-706/09	Ghanashyam Patel	18-Mar-09	10-Aug-10	1617.389	100	161739	128244	33495
28	BP2B-713/09	Anjali Mangaraj	18-Mar-09	11-Feb-10	617.9708	100	61797	0	61797
29	BP2B-2144/09	Tapan kumar Raypritam	19-Aug-09	05-Aug-10	1231.854	100	123185	98587	24598
30	BP 2B-2252/09	Kamalesh Patel and others	31-Aug-09	06-Sep-10	3139.091	100	313909	236431	77478
31	BP3B-2507/09	Tanmaya Patra	24-Sep-09	28-Jul-10	1309.054	100	130905	103299	27606
32	BP2B-2813/09	Aman Agarwala	23-Oct-09	17-Feb-10	1640.149	100	164015	131264	32751
33	BP 2B-3153/09	Gangadhar Satapathy	20-Nov-09	12-Oct-10	3703.18	100	370318	246246	124072
34	BP 3B 3407/09	B. Mohanty	08-Dec-09	07-Feb-11	1513.248	100	151325	113290	38035
35	BP1B-3500/09	B.S.Bedi	15-Dec-09	28-Aug-10	1604.799	100	160480	111674	48806

Sl No	File No	Name of the builder/project	Date of Receipt	Date of Conditional permission accorded	Security deposit less collected (in ₹)				
36	BP 1B-497/10	Rahul Swain	15-Feb-10	14-Sep-10	1096.684	100	109668	86571	23097
37	BP3 B-1047/10	Surekha Builder	29-Mar-10	28-Oct-10	4789.645	100	478965	354954	124011
38	BP2B-1688/10	J Homs P Ltd	30-Apr-10	12-Jan-11	5168.584	100	516858	388867	127991
39	BP 1B-2144/10	Durga Dutta Subudhi	26-May-10	14-Jan-11	722.9478	100	72295	51813	20482
40	BP1B-2182/10	M/S-Ekadanta Infrastructure	28-May-10	02-Aug-10	1140.385	100	114038	88944	25094
41	BP2B-2281/10	Himalata Patel, Director of M/s. Annapurna Realcon Pvt. Ltd.	05-Jun-10	21-Jul-10	1368.231	100	136823	100809	36014
42	BP 1B-2301/10	P.K.Mohanty	07-Jun-10	27-Sep-10	1730.355	100	173036	127751	45285
43	BP2 B-2647/10	Ramesh Patel (Maa Tareni Builder)	12-Jul-10	30-Oct-10	1077.175	100	107718	79824	27894
44	BP2B 2773/10	B.B. Samal	21-Jul-10	11-Feb-11	2334.391	100	233439	175047	58392
45	BP2 B-3053/10	P.Biswal	16-Aug-10	06-Sep-10	1099.75	100	109975	86599	23376
46	BP 1B-3082/10	J.B.Samantaray, M.D. of Realcon Pvt.Ltd.	18-Aug-10	06-Oct-10	29717.59	100	2971759	240000	571759
47	BPI B-3343/10	Himansu sekhar Pati	06-Mar-10	10-Nov-10	5747.444	100	574744	413021	161723
48	BPIB-3464/10	Srikant Pattnaik (Tarini United Builders (P) Ltd.	16-Sep-10	13-Jun-11	3469.629	100	346963	236859	110104
49	BP1B 3563/10	Pritam Patel	13-Sep-10	10-Dec-10	2034.138	100	203414	154117	49297
50	BP3B- 3615/10	Sarat ch.Padhi	27-Sep-10	07-Jul-11	588.4063	100	58841	0	58841
51	BP 1B 3632/10	Padma Ch. Patra	28-Sep-10	07-Dec-10	7861.848	100	786185	645379	140806
52	BP1 B-4019/10	Pankaj Ku Agrawala (M/s PDN developer Pvt. Ltd)	29-Oct-10	21-Jul-11	9289.814	100	928981	706394	222587
53	BP1B-4090/10	Sarbadi Infrastructure (P) Ltd.	02-Nov-10	10-Jun-11	5392.009	100	539201	327528	211673
54	BP-3B-226/09	Debi Dutta Mishra, Director of M/s S.J.Developer Private Limited	2-Feb-09	15-Apr-11	17779.16	100	1777916	9539782	2238134
55	BP2B-312/09	Prakash Bhura M.D. of M/s HRG Finance and Investment Consultant Private Limited.	11-Feb-09	3-July-09	117405	100	11740500	9360000	2380500

Sl No	File No	Name of the builder/project	Date of Receipt	Date of Conditional permission accorded	Security deposit less collected (in ₹)				
56	BP1B-4756/10	Jagadish Nayak (M/s D.N.Homes Private Limited)	21-Dec-10	06-Apr-11	60090.97	100	6009097	4591882	1417215
57	BP1B-640/10	M/s B. Engineer Pvt. Ltd	23-Feb-10	26-July-10	10927.73	100	1092773	813829	278944
58	BP2B-1933/08	Sri Rajesh Modra, M.D. of M/s Nilachal Build Tech. Pvt. Ltd.	17-Dec-08	3-Jun-11	30368.77	100	3036878	2155372	881505
59	BP2B-1875/09	Sunita Choudhury, M.D. of M/s Debabratta Homes	18-July-09	28-Jun-10	13236.58	100	1323658	1016673	306985
60	BP2B-1536/08	M/s FACOR Limited	24-Oct-08	18-Nov-09	21480.06	100	2148006	1551400	596606
TOTAL							8,68,57,759.00	6,14,56,021.00	2,54,01,738

(Source: *Data collected by Audit from BDA record*)

Glossary of abbreviations

BDA	:	Bhubaneswar Development Authority
BDPA	:	Bhubaneswar Development Plan Area
BG	:	Bank Guarantee
BMC	:	Bhubaneswar Municipal Corporation
BMPA	:	Bhubaneswar Master Plan Area
BMPR	:	Bhubaneswar Master Plan Region
BoD	:	Board of Directors
CDA	:	Cuttack Development Authority
CDP	:	Comprehensive Development Plans
CDPA	:	Cuttack Development Plan Area
CESU	:	Central Electrical Supply Utility
CGM	:	Chief General Manager
CMC	:	Cuttack Municipal Corporation
CMD	:	Chairman- cum- Managing Director
CSREM	:	Centurion School of Rural Enterprise Management
DA	:	Development Authority
DFO	:	Divisional Forest Officer
DGM	:	Deputy General Manager
DH	:	Divisional Head
DLSWCA	:	District Level Single Window Clearance Authority
DO	:	Demolition Order
DQ	:	Discretionary Quota
EWS	:	Economically Weaker Sections
F & E	:	Forest and Environment
FAR	:	Floor Area Ratio
FCFS	:	First-cum-First Serve
FPP	:	Food Processing Park
GA	:	General Administration
GoI	:	Government of India
H&UD	:	Housing & Urban Development

HC	:	High Court
HIG	:	Higher Income Group
HLCA	:	High Level Clearance Authority
HLLAC	:	High Level Land Allotment Committee
ID	:	Infrastructure Development
IDCO	:	Industrial Infrastructure Development Corporation
IE	:	Industrial Estate
IIAC	:	Industrial Infrastructure Advisory Committee
IIT	:	Indian Institute of Technology
IPICOL	:	Industrial Promotion and Investment Corporation of Odisha Limited
IPR	:	Industrial Policy Resolution
KIIT	:	Kalinga Institute of Industrial Technology
KNIC	:	Kalinganagar Industrial Complex
KNPDS	:	Kalinga Nagar Plotted Development Scheme
KNPS	:	Kalinga Nagar Plotted Scheme
LA	:	Land Acquisition
LAC	:	Land Allotment Committee
LAO	:	Land Acquisition Officer
LIG	:	Lower Income Group
LIP	:	Lift Irrigation Project
MIG	:	Middle Income Group
MIL	:	Monnet Ispat Limited
MoA	:	Memorandum of Agreement
MoEF	:	Ministry of Environment & Forest
MoU	:	Memorandum of Understanding
MPCL	:	Monnet Power Company Limited
NA	:	Not Available
NOCs	:	No Objection Certificates
ODA	:	Odisha Development Authority
OGFR	:	Odisha General Financial Rules
OGLS	:	Orissa Government Land Settlement

OIIDC	:	Odisha Industrial Infrastructure Development Corporation
OLR	:	Orissa Land Reforms
OPLE	:	Orissa Prevention of Land Encroachment
OSD	:	Officers on Special Duty
OSFC	:	Odisha State Financial Corporation
OSHB	:	Odisha State Housing Board
OSPCB	:	Odisha State Pollution Control Board
OTC	:	Orissa Treasury Code
PBSR	:	Planning & Building Standards Regulation
RDC	:	Revenue Divisional Commissioner
RDM	:	Revenue and Disaster Management
RFIPL	:	Rawnet Ferrous Industries Private Limited
RI	:	Revenue Inspector
RoR	:	Record of Rights
ROUDCTC	:	Regularisation of unauthorised/deviated construction through compounding
SD	:	Security Deposit
sft	:	Square foot
SLNA	:	State Level Nodal Agency
SLSWCA	:	State Level Single Window Clearance Authority
SMEs	:	Small and Medium Enterprises
sqm	:	Square metre
SRSWOR	:	Stratified Random Sampling without replacement
TPCL	:	Tata Power Company Limited
TSL	:	Tata Steel Limited
UAP	:	Unauthorised Proceeding
UVHS	:	Udayagiri Vihar Housing Scheme
VC	:	Vice-Chairman
VHS	:	Vihar Housing Scheme
WR	:	Water Resources
ZDP	:	Zonal Development Plan

© COMPTROLLER AND
AUDITOR GENERAL OF INDIA
www.cag.gov.in

www.agorissa.nic.in