

CHAPTER 3. PREVIOUS AUDIT FINDINGS

The functioning of L&DO was previously reviewed in 1998 and reported in paragraph 5.1 of the C&AG's Audit Report No. 2 of 2000 – Union Government (Civil) Transaction Audit Observations. The main audit findings were as summarized below:

- Documentation of properties was a serious weakness, impairing effective functioning of L&DO.
- Irregular revision or non-revision of ground rent resulted in accumulation of ground rent and loss of Rs. 24.96 crore.
- Lack of effective pursuance by L&DO resulted in non-recovery of Rs. 74.77 crore on account of breaches in 19 cases. Further, improper assessment and deficient documentation hampered collection of dues in cases of breaches and misuse, and Rs. 94.06 crore demanded by L&DO in 122 cases had not been recovered.
- Rs. 9.60 crore of dues had not been recovered from educational, social and cultural institutions, which had violated the terms of the concessional leases.
- Ineffectiveness of L&DO in checking encroachment had resulted in unauthorized occupation of Government land measuring 100 acres and valued at Rs. 930 crore. Further, overlapping control of L&DO and DDA/MCD had led to encroachment of Government land of 1590 acres.
- 38 cases were awaiting eviction in the Court of the Estate Officer, while 551 legal cases were pending in different courts.

In the Action Taken Note on the above paragraph, furnished in February 2002, the Ministry had given the following assurances:

- Time bound action plan for maintenance of basic records had already been chalked out and such record/registers would be shown during the next audit.
- Software for online processing of conversion applications, demand generation for breaches, revenue monitoring, court cases etc. had been developed. The work to create a property database with regard to Nazul properties had been started in September 2001 and was to be completed by the Institute of Public Auditors of India within three months.
- 10,000 rehabilitation properties would be culled out for generation of demands, and this would be completed during 2004-05.
- The issue of non-revision of ground rent in respect of Nazul properties was under consideration.
- A study group had been set up to recommend a suitable policy of revision of ground rent and allied matters in respect of petrol pumps.

- Action for recovery of all government dues had been initiated and in some cases, recovery had been effected.

However, as detailed in the rest of this report, most of the deficiencies pointed out in the earlier audit continued to persist, despite the Ministry's specific assurances given in the Action Taken Notes submitted to the Public Accounts Committee of Parliament.