

**LAND MANAGEMENT IN BHARAT SANCHAR NIGAM
LIMITED**

[Action Taken by the Government on the Observations/Recommendations of
the Committee contained in their 53rd Report (16th Lok Sabha)]

**MINISTRY OF COMMUNICATIONS (DEPARTMENT OF
TELECOMMUNICATIONS)**

**PUBLIC ACCOUNTS COMMITTEE
(2017-18)**

EIGHTY-THIRD REPORT

SIXTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

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PUBLIC ACCOUNTS COMMITTEE
(2017-18)

(SIXTEENTH LOK SABHA)

**LAND MANAGEMENT IN BHARAT SANCHAR
NIGAM LIMITED**

[Action Taken by the Government on the Observations/Recommendations of
the Committee contained in their Fifty-third Report (16th Lok Sabha)]

**MINISTRY OF COMMUNICATIONS (DEPARTMENT OF
TELECOMMUNICATIONS)**



Presented to Lok Sabha on:

18/12/2017

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**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2017 / Agrahayana, 1939 (Saka)

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**Not appended to the cyclostyled copy of the Report*

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2017-18)

Shri Mallikarjun Kharge

Chairperson

MEMBERS

LOK SABHA

2. Shri Sudip Bandyopadhyay
3. Shri Subhash Chandra Baheria
4. Shri Prem Singh Chandumajra
5. Shri Nishikant Dubey
6. Shri Gajanan Chandrakant Kirtikar
7. Shri Bhartruhari Mahtab
8. Smt. Riti Pathak
9. Shri Neiphiu Rih
10. Shri Abhishek Singh
11. Prof. Ram Shanker
12. Dr. Kirit Somaiya
13. Shri Anurag Singh Thakur
14. Shri Shivkumar C. Udasi
15. Dr. P. Venugopal

RAJYA SABHA

16. Shri Naresh Agrawal
17. Shri Satyavrat Chaturvedi
18. Shri Bhubaneswar Kalita
19. Shri Shantaram Naik
20. Shri Sukhendu Sekhar Roy[†]
21. Shri Ajay Sancheti
22. Shri Bhupender Yadav

SECRETARIAT

1. Shri A.K. Singh - Additional Secretary
2. Shri T. Jayakumar - Director
3. Smt. Anju Kukreja - Under Secretary

[†] Ceased to be a Member of Committee consequent upon his retirement from Rajya Sabha on 28 July, 2017.

[†] Ceased to be a Member of Committee consequent upon his retirement from Rajya Sabha on 18 August, 2017.

INTRODUCTION

1. I, the Chairperson, Public Accounts Committee (2017-18), having been authorised by the Committee, do present this Eighty-third Report (Sixteenth Lok Sabha) on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Fifty-third Report (Sixteenth Lok Sabha) on "Land Management in Bharat Sanchar Nigam Limited" relating to Ministry of Communications (Department of Telecommunications).

2. The Fifty-third Report was presented to Lok Sabha/laid in Rajya Sabha on 22nd November, 2016. Replies of the Government to all the Observations/Recommendations contained in the Report were received. The Public Accounts Committee considered and adopted the Eighty-third Report at their sitting held on 8th September, 2017. Minutes of the sitting are given at Appendix I.

3. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

5. An analysis of the action taken by the Government on the Observations/Recommendations contained in the Fifty-third Report (Fifteenth Lok Sabha) is given at *Appendix-II*.

NEW DELHI;

4 December, 2017

13 Agrahayana, 1939 (Saka)

SHRI MALLIKARJUN KHARGE

Chairperson,

Public Accounts Committee

I

REPORT
PART - I

This Report of the Committee deals with the Action Taken by the Government on the Observations and Recommendations contained in their 53rd Report (16th Lok Sabha) on the subject "Land Management in Bharat Sanchar Nigam Limited" based on Para No. 5.1 of C&AG Report No. 17 2014 related to Ministry of Communications (Department of Telecommunications).

2. In their 53rd Report which was presented to Lok Sabha on 22nd November, 2016, the Committee had dealt with the various issues such as absence of Land Management Policy, delay in getting the inherited plots transferred/mutated/alienated in the name of the Company, inability of the company to commercially exploit its vacant land, abnormal variation in the book value of inherited land and leasehold land, undervaluation of the assets of the Company, encroachment of land, non-acquisition of sale/lease deed and surrender of land without receipt of adequate compensation/allocation of alternative site etc.

3. The Action Taken Notes in respect of all the Nine observations/Recommendations have been received from the Ministry of Communications (Department of Telecommunications) and these have been categorized as follows:

- (i) Observations/Recommendations which have been accepted by the Government:

Para Nos. 1, 2, 3, 4, 5, 6, 7, 8 & 9

Total: 9
Chapter - II

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government:

Para Nos. -NIL-

Total: NIL
Chapter - III

- (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Para Nos. NIL

Total: NIL
Chapter - IV

- (iv) Observations/Recommendations in respect of which Government have furnished interim replies:

Para Nos. NIL

Total: NIL
Chapter - V

Gist of Observations/Recommendations contained in 53rd Report (16th Lok Sabha)

4. The Committee in their 53rd Report (16th Lok Sabha) on the subject had made the following important Observations/Recommendations:

- (i) The Committee recommended the Ministry to take urgent steps to formulate a sound Land Management Policy to protect and preserve its invaluable large tracks of land at the earliest.
- (ii) The Committee desired that in future, the Ministry should streamline the process of execution of mutation/transfer of land as soon as the same is acquired.
- (iii) The Committee desired that the BSNL need to be proactive to earn more revenue from their vacant land by fast tracking submission of proposals for commercial exploitation of its vacant land. Inspection of vacant plots and their commercial exploitation on monthly basis must be made by BSNL and the Report be submitted to the Ministry.
- (iv) The Committee urged upon the Ministry/BSNL to formulate a comprehensive action plan both for early removal of encroachments and prevention of fresh encroachments. A coordinated approach should also required to be taken with a view to ensuring fast vacation of encroached land.

5. The Action Taken Notes furnished by the Ministry of Communications (Department of Telecommunications) have been reproduced in the relevant Chapters of this Report. In the succeeding Paragraphs, the Committee will deal with the action taken by the Government on some of their Observations/Recommendations made in the original Report, which need reiteration or merit comments.

A. Sale/Lease deed not executed
(Recommendation Para No. 7)

6. The Committee observed that in four Secondary Switching Areas (SSAs), the Company had taken on lease 17 plots measuring 0.12 lakh square meters of land for periods ranging from 30 years to 99 years. The Company paid a premium of ₹ 0.64 crore for taking the plots on lease for the purpose of establishing Telephone Exchange/Remote Line Unit. However, the Company did not enter into a lease agreement for the said plots which had resulted in avoidable payment of premium amounting to ₹ 0.64 crore and consequential loss of interest thereon. It was also observed that in five SSAs under two Circles the Company acquired 65 plots of land measuring 0.85 lakh square meters with a book value of ₹ 2.74 crore but no sale deed was executed for the same. While observing that due to delay in execution of sale/lease deed, the BSNL has lost huge sums of revenue, the Committee, recommended that Ministry/BSNL must fix a time frame so that execution of sale/lease deed can be expedited.

7. In their Action Taken Note to the aforesaid recommendation Ministry of Communications (Department of Telecommunications) have stated as under:

"The matter of executing lease deed of 17 plots measuring 0.12 lakh sqm has already been taken up with the concerned revenue authorities for execution of lease deed and is being actively pursued. Out of these 17 plots, BSNL has taken up possession of 16 plots. Circle-wise position of pending lease deed is given as under:

Details of Leasehold plots for which lease deed not executed

Sl.No.	Circle	Name of SSA	Nos. of plots for which lease deed not executed	Lease deed executed (Current Status)	Balance Nos. for which lease deed to be executed
1	Gujarat	Ahmedabad TD	8	Nil	8
2		Surat	1	Nil	1
3	Rajasthan	Jaipur	5	Nil	5
4		Udaipur	3	2	1
	Total		17	2	15

Details of Free hold plots for which Sale deed not executed

Sl.No.	Circle	Name of SSA	Nos. of plots for which lease deed not executed	Lease deed executed (Current Status)	Balance Nos. for which lease deed to be executed
1	Gujarat	Surat	5	Nil	5
2		Himmatnagar	55	40	15
3		Junagarh	3	3	Nil
4	Punjab	Chandigarh	1	1	Nil
5	Rajasthan	Bharatpur	1	1	Nil
	Total		65	45	20

With a view to expedite the process, BSNL has issued directives to the Circle Heads to constitute Task Force to deal with such matters, apply for issue of duplicate revenue record wherever required and execute requisite lease/sale deed at the earliest. Corporate Office shall also monitor the progress of the task on monthly basis."

8. The Committee are astonished to find from the circle-wise position of lease deed that out of 17 leasehold plots in Gujarat and Rajasthan circles lease deed was executed in two cases only. The Committee observe that in case of Ahmedabad Telecom District, Surat and Jaipur circles no lease deed was executed till the finalization of Action Taken Notes. Further, in case of free hold plots, the Committee notice that out of 65 plots in Gujarat, Punjab and Rajasthan Circles, lease deed was executed in 45 cases. The Committee would like to be apprised of the time period since when all these cases are pending for finalization, steps initiated so far for execution of lease deed in these cases, outcome thereof and present position of execution of the lease deed. The

Ministry have now informed that BSNL have issued directives to the Circle Heads to constitute Task Force to deal with such matters, apply for duplicate revenue records wherever required and execute requisite lease/sale deed at the earliest. The Corporate office, BSNL shall monitor the progress of the task on monthly basis. The Committee are aghast to note that no concrete action appears to have been initiated to take the matter to its logical conclusion despite issuing directives to the Circle Heads to constitute Task Force for this purpose. Further no steps have been taken to fix a time frame so as to expedite the execution of sale/lease deed. Since the Ministry/BSNL are incurring huge loss of revenue due to delay in execution of lease deeds, the Committee recommend that the Ministry/BSNL should finalize these lease deeds by fixing a time frame so that execution of sale/lease deed can be expedited. They would like to be apprised of the conclusive action taken in the matter within two months of the presentation of this Report.

B. Non-Submission of Alienation Proposals
(Recommendation Para No. 8)

9. The Committee observed that the Government of Andhra Pradesh had allotted vacant lands measuring 32307.1 square meters to Telecom Department for construction of Telephone Exchanges and support services during 1981-2001 for a total consideration of ₹ 7.38 crore. For completing the transfer process, DoT/BSNL was required to procure and submit alienation proposals to the Government of Andhra Pradesh. The Committee observed that this had not been done in any of these cases either by the DoT or by the Company even after 11 years of formation of the Company. It was also observed that one of the lands/plots measuring 2543 square meters for which an amount of ₹ 1.58 crore was paid as consideration was resumed by the Government of Andhra Pradesh in 2005 as the same remained vacant/unutilized since it was allotted in 1998 and was not legally transferred to the DoT/Company. The Committee were informed that in order to expedite the mutation, Circle level Task Force has been constituted by Corporate Office and monthly monitoring is being done. The Committee did not feel the constitution of Task Force even after 17 years of allotment of

land as appropriate and were of the opinion that strict deterrent penal action should be taken against defaulting officers for remaining inactive for such a long period. Expressing serious displeasure over this state of affairs, the Committee felt that the Ministry/BSNL should owe an explanation to them as to why no action was initiated in this case for such a long time.

10. In their Action Taken Note to aforesaid recommendation the Ministry of Communications (Department of Telecommunications) have stated as under:

"Most of these land parcels allotted in AP Circle were acquired immediately prior to the formation of the Company. Before mutation of these plots in the name of BSNL, alienation of these plots is to be completed in the name of DoT. As on date, all these land parcels are in possession of BSNL with the exception of Mahendra Hills, where a part of the land (1188.2 Sqm out of 2643 Sqm) was allotted to Sikh Community Welfare Association in 2005, for which matter has already been taken up with the concerned revenue authority for grant of compensation. The balance area of 1591.27 Sqm is in possession of Hyderabad Telecom District, where compound wall has already been constructed and a Base Trans-receiver Station (BTS) is operational. The strategy in this regard has been chalked out and special emphasis has been given in the modified land management system to expedite the mutation of land parcels by constituting Circle Level Task Force and real time monitoring at various levels. This would result in periodical monitoring besides achieving desired results."

11. The Committee note that as on date all the land parcels are in possession of BSNL with the exception of Mahendra Hills, where a part of the land (1188.2 sqm out of 2643 sqm) was allotted to Sikh Community Welfare Association in 2005. The Committee have now been informed that the matter has already been taken up with the concerned revenue authority for grant of compensation. The Committee are constrained to observe that the matter has not been resolved even after 12 years and no compensation has been received so far. Obviously, the Ministry have slept over it and not acted with all the seriousness that is required. The Committee would, therefore like to reiterate their earlier recommendation to take strict deterrent penal action against the defaulting officers for remaining inactive for such a long period and would like to be apprised of the concrete action taken in this regard within two months of the presentation of the report.

C. Land surrendered without receipt of adequate compensation/allocation of alternative site
(Recommendation Para No. 9)

12. The Committee noted that in Karnataka and Tamil Nadu Circles, BSNL had to surrender 1690.40 square meters of land with book value of ₹ 0.79 crore without adequate compensation/consideration. In Bengaluru (Karnataka Circle), Bangalore Mass Rapid Transport Ltd. (BMRCL)-Metro Rail Project acquired (August 2005), 557.40 square meters of land which was procured by BSNL during January 2004 at a cost of ₹ 0.79 crore. The organization offered alternate site measuring 525.20 square meters and paid cash compensation of ₹ 7.97 lakh for unused quantum of land measuring 32.21 square meters. But the alternative plot was allotted to BSNL after a lapse of seven years i.e. on 10.10.2012. Further, in Tamil Nadu Circle (Trichy SSA) during 2003, 1133 square meters of land with a market value of ₹ 3.46 lakh was acquired by the National Highways Authority of India for road widening work. No compensation for land was given by the NHAI. The Committee deplored the casual approach adopted by the BSNL authorities for taking action in this regard only after 13 years when the case was pointed out by the Audit. Upon noticing that action taken in these cases was not only belated but also totally inadequate, the Committee desired that the matter be investigated with a view to taking deterrent action against the delinquent officials. An effective mechanism should also be put in place for monitoring such cases and taking timely action to receive compensation.

13. In their Action Taken Note on the aforesaid recommendation, the Ministry of Communications and Information Technology (Department of Telecommunications) have stated as under:

"BSNL had purchased a plot measuring 557.40 Sqm of area at Magadi road for construction of Telephone Exchange Building. The cost of the plot at the time of purchase (January 2004) was ₹ 79,20,000. Subsequently, in the year 2008, the land was acquired by Ministry of Commerce and Industry, Government of Karnataka for development of BMRCL. In lieu of this plot, BMRCL offered alternate plot measuring 525.20 sqm behind the acquired BSNL land and paid cash compensation of ₹ 7.97 lakh; for balance 32.20 Sqm BSNL has also got registered the offered land on 10.10.2012. As such, this case may be treated as settled.

In the case of NHAI, out of 1133 Sqm BSNL land, an area of 273 Sqm was acquired by NHAI. But, NHAI did not offer due compensation to BSNL because the land in question on the date of acquisition was in the name of Govt. of India. As per procedure for payment of compensation, NHAI is not bound to pay any compensation for the land registered in the name of Government. However, BSNL is seeking legal opinion/action in the matter so that the due compensation, if any, could be obtained from NHAI. Meanwhile, NHAI has been requested not to make payment of compensation to any other party in respect of the said land."

14. In case of land acquired by the National Highways Authority for India for road widening work in Tamil Nadu Circle (Trichy SSA) during 2003, the Committee have been apprised by the Ministry that as per procedure for payment of compensation, NHAI is not bound to pay any compensation for the land registered in the name of Government. However, BSNL is seeking legal opinion/action in the matter so that the due compensation, if any, could be obtained from NHAI. The Committee strongly deplore the confused and casual approach of the Ministry in dealing with this matter. The Committee are distressed to note that though the matter had come to the notice of the Ministry after 13 years when this was pointed out by Audit, the Ministry are still oscillating and have not been able to resolve the issue till date. The Committee while deprecating the laxity shown by the Ministry in this regard recommend that this case should be resolved at the earliest and appropriate action taken against the delinquent officials. The Committee would also like to be apprised of the legal opinion, if obtained, in this case.

NEW DELHI;

4 December, 2017

43 Agrahayana, 1939 (Saka)

SHRI MALLIKARJUN KHARGE

Chairperson,

Public Accounts Committee