

**IMPROPER MANAGEMENT OF DEFENCE  
LAND**

[Action Taken by the Government on the  
Observations/Recommendations of the  
Committee contained in their 106<sup>th</sup> Report (16  
Lok Sabha)]

**MINISTRY OF DEFENCE**

**PUBLIC ACCOUNTS COMMITTEE  
(2023-24)**

**SEVENTY THIRD**

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**SEVENTEENTH LOK SABHA**



सत्यमेव जयते

**LOK SABHA SECRETARIAT  
NEW DELHI**

**SEVENTY THIRD REPORT**

**PUBLIC ACCOUNTS COMMITTEE**

**(2023-24)**

**(SEVENTEENTH LOK SABHA)**

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LAND**

**[Action Taken by the Government on the  
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**MINISTRY OF DEFENCE**



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*Presented to Lok Sabha on: 10-08-2023*

*Laid in Rajya Sabha on: 10-08-2023*

**LOK SABHA SECRETARIAT  
NEW DELHI**

**August, 2023 /Sravana, 1945 (Saka)**

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**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (2023-24)**

**Shri Adhir Ranjan Chowdhury - Chairperson**

**MEMBERS**

**LOK SABHA**

2. Shri Thalikkottai Rajuthevar Baalu
3. Shri Subhash Chandra Baheria
4. Shri Bhartruhari Mahtab
5. Shri Jagdambika Pal
6. Shri Vishnu Dayal Ram
7. Shri Pratap Chandra Sarangi
8. Shri Rahul Ramesh Shewale
9. Shri Gowdar Mallikarjunappa Siddeshwara
10. Shri Brijendra Singh
11. Shri Rajiv Ranjan Singh *alias* Lalan Singh
12. Dr. Satya Pal Singh
13. Shri Jayant Sinha
14. Shri Balashowry Vallabbhaneni
15. Shri Ram Kripal Yadav

**RAJYA SABHA**

16. Shri Shaktisinh Gohil
17. Dr. K. Laxman
18. Shri Sukhendu Sekhar Ray
19. Shri Tiruchi Siva
20. Dr. M. Thambidurai
21. Shri Ghanshyam Tiwari
22. Dr. Sudhanshu Trivedi

**SECRETARIAT**

1. Shri T.G Chandrasekhar - Additional Secretary
2. Smt. Bharti Sanjeev Tuteja - Director
3. Shri Girdhari Lal - Deputy Secretary

## INTRODUCTION

I, the Chairperson, Public Accounts Committee (2023-24), having been authorised by the Committee, do present this Seventy Third Report (Seventeenth Lok Sabha) on Action taken by the Government on the Observations/Recommendations contained in their One Hundred and Sixth Report (Sixteenth Lok Sabha) on '**Improper Management Of Defence Land**' relating to the Ministry of Defence.

2. The One Hundred and Sixth Report was presented to Lok Sabha/laid on the Table of Rajya Sabha on 19 July 2018. Replies of the Government to all the Observations/Recommendations contained in the Report have been received from the Ministry. The Committee considered and adopted the Seventy Third Report at their Sitting held on 09 August, 2023. Minutes of the Sitting of the Committee are given at Appendix-I.

3. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in **bold** 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 Committee Secretariat and 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 One Hundred and Sixth Report (16<sup>th</sup> Lok Sabha) is given at *Appendix-II*

NEW DELHI:  
09 August, 2023  
18 Sravana 1945 (Saka)

ADHIR RANJAN CHOWDHURY  
Chairperson,  
Public Accounts Committee

## REPORT

### PART - I

This Report of the Public Accounts Committee deals with the Action Taken by the Government on the Observations and Recommendations contained in their One Hundred and Sixth Report (16<sup>th</sup> Lok Sabha) on the subject “**Improper Management of Defence Land**” based on C&AG Report No. 6 of 2015 (Union Government) related to the Ministry of Defence.

2. The One Hundred and Sixth Report (16<sup>th</sup> Lok Sabha) which was presented to Lok Sabha/laid in Rajya Sabha on 19<sup>th</sup> July, 2018, contained 5 Observations/Recommendations. Action Taken Notes in respect of all the Observations and Recommendations have been received from the Ministry of Defence on 12<sup>th</sup> April, 2022 and are broadly categorized as under:

- |       |   |   |
|-------|---|---|
| (i)   | Observations/Recommendations which have been accepted by the Government:<br>Para Nos.   | <b>Total: 5</b><br><b>Chapter - II</b>    |
| (ii)  | Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government:<br>NIL                          | <b>Total: NIL</b><br><b>Chapter - III</b> |
| (iii) | Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:<br>Para Nos | <b>Total: NIL</b><br><b>Chapter - IV</b>  |
| (iv)  | Observations/Recommendations in respect of which Government have furnished interim replies:<br>NIL  | <b>Total: NIL</b><br><b>Chapter -V</b>    |

3. The Action Taken Notes have been furnished by the Ministry of Defence after a long delay, which in the normal course, is unacceptable. The Committee take serious exception to the undue delay in submission of Action Taken Notes and desire that the Ministry ensure that the Action Taken Notes on the observations/recommendations made in the Reports of the Committee are henceforth furnished within the stipulated timeframe without fail.

4. The detailed examination of the subject by the Committee had revealed repeated instances of unsatisfactory management of Defence estates, serious lapses and irregularities, misuse of Defence land by the the Local Military Authorities (LMA) for unauthorised purposes, unauthorised occupation of Defence land by the ex-lessees due to non-renewal of leases in time, encroachment of Defence lands by other Union/State Government Departments, lapses/discrepancies on the part of the Directorate General of Defence Estates (DGDE), an agency specifically created for the said purpose under the aegis of Ministry of Defence to renew/ terminate leases of Defence Lands, Unauthorised occupation / transfer of Defence Land by other Government Departments / State Government and consequent loss of revenue to the tune of approximately ₹ 838.34 crore for periods ranging from four years to as long as 46 years.

5. The Action Taken Notes furnished by the Ministry of Defence on each of the Observations/Recommendations of the Committee contained in their One Hundred and Sixth Report have been reproduced in the relevant Chapters of this Report. The Committee will now deal with the action taken by the Government, on some of their Observations/Recommendations which either need reiteration or merit comments.

6. The Committee desire the Ministry of Defence to furnish Action Taken Notes in respect of Observations/ Recommendations contained in Chapter I of the Report, positively within six months of the presentation of the Report to the Parliament.

**Delay in renewal of leases of Defence lands and consequent non-realisation of Revenue.**

**(Recommendation Para No. 2)**

7. *The Committee in their Original Report had noted that there were many cases spread across the length and breadth of the country where renewal of leased Defence lands had been pending for years and the concerned DEOs had not taken any action on the same on the pretext of litigations, unavailability of documents, incomplete or missing land records etc. Also, since hiring of land is a direct agreement between the DEOs and the lessees, the Committee are of the view that onus lies entirely on the former for*

timely renewals and the subsequent realization of revenues in each case. The Committee note the cases of inordinate delay in renewal of leases pointed out by the Audit viz. Royal Calcutta Turf Club (RCTC), Kolkata; IOCL Bulk Petroleum Installation at Pune; HPCL petrol pump cum service station at Dhaula Kuan, New Delhi; BPCL petrol pump at Delhi Cantt, New Delhi; Thane Sporting Club Committee at Thane, Mumbai and Kumaon Mandal Vikas Nigal Limited (KMVNL) at Nainital. The Committee are dismayed to note that the lease renewals were not being done timely resulting in non-realization of revenue for years. The Committee observe that Defence land record management has not been satisfactory and requires a complete overhaul. They note that all records pertaining to Defence lands leased to other Government Departments or private parties, exchanged between Government Departments or bought and sold are not regularly updated resulting in evasion of taxes and non-reflection of the actual ground position as well. The Committee desires that the system of maintaining land records should be such so as to ensure availability of updated records with all stakeholders so that Defence lands are managed systematically and scientifically. The Committee while noting the Project Raksha Bhoomi & Bhuvan are being implemented, desire that a comprehensive database be created containing details of the lessees (present and past), previous land owners, date of lease and expiry thereof, hyperlink to the maps, present status of the land whether being used commercially or otherwise, the lease rates, the present measurement, rentals and the category of the land. The Committee desire that people should be proactively encouraged to report encroachments on Defence lands by taking pictures of the same and uploading/geotagging it on the DGDE website and at the same time keeping the identity of the uploader confidential thereby stemming encroachments. The Committee exhort the Ministry/DGDE to finalize the leasing policy, as the Sumit Bose Committee has already given its Report, within three months of the presentation of this Report to Parliament. The Committee desire the Ministry to issue instruction to the DEOs that the process of renewal of lease be started one year before the date of expiry of every lease.

8 The Ministry of Defence in their Action Taken Notes have stated as under:-

"As regard to the points, pointed out by the Public Accounts Committee on the cases of inordinate delay in renewal of leases the action taken are as under:-

i) **Royal Calcutta Turf Club (RCTC), Kolkata:-** The matter of renewal/extension of lease in respect of RCTC pertains to DEO Kolkata Circle, under jurisdiction of Eastern Command. The Defence land measuring 153.416 acres at Kolkata Maidan is leased out to RCTC for a period of 30 years, with effect from 01.01.1932. The lease was further renewed for another period of 30 years w.e.f. 01.01.1962 to 31.12.1991 at an annual rent of Rs.20,000/-. The MoD vide letter dated 12.2.2004 accorded sanction for extension of the lease period for another 15 years with effect from 01.01.1992 to 31.12.2006. As per the terms and conditions laid down in the MoD letter dated 12.02.2004, the lease rent was received by DEO from RCTC up to 31.12.2006. After expiry of the lease period on 31.12.2006, RCTC requested for the renewal of the lease for another 15 years with effect from 01.01.2007 to 31.12.2021, with certain additional facilities. The rent from RCTC is not recovered, as the policy on 'Sports and Recreational Clubs' is under preparation in the DGDE and will be finalized soon. Further, the question regarding loss of revenue for Government does not arise in this case, as the rent will be realized after finalization of the Policy.



ii) **IOCL Bulk Petroleum installation at Pune:-** The MoD issued ex-post facto sanction vide letter dated 18.11.2016 for renewal of lease of one acre of defence land in Rev Sy No. 311 at Wellesly Road, Pune held under occupation of IOC w.e.f 07.09.1966 to 06.09.2016 on payment of total value of rent and premium of ₹8,50,62,790/-.DEO, Pune has recovered lease rent of ₹8,42,96,161/- (Rupees Eight Crore Forty Two Lakhs Ninty Six thousand one hundred and sixty one only) towards the rent, premium and additional payment as arrears, as per MoD sanction dated 18.11.2016 for the period 07.09.1966 till up to 06.09.2016. The details of recovery are:

S.No.	Date of recovery	Lease rent recovered in Rs.
1	09.02.2018	4,48,51,360/-
2	07.02.2019	3,94,44,801/-
	Total	8,42,96,161/-

The Indian Oil Corporation has stated that it has previously paid ₹11,71,129/- between the Year 1966-2013. The IOC has now forwarded payments receipts issued by BSO, Army Pune which were not taken into account in MoD sanction dated 18.11.2016. The same is being verified and reconciled by the DEO Pune.

iii) **HPCL petrol pump cum service Station at Dhaula Kuan, New Delhi**

(i) An area measuring 5525 sqft out of defence land in Sy. No.211/1 Dhaula Kuan was last leased out to M/s HPCL. upto 31.01.1995 at the annual rent of ₹98,102/- and premium of ₹ 490512/-. In another case for an area measuring 12000 sqft out of Sy. No.211/1, Dhaula Kuan defence land was leased out up to 31.01.1995 @ annual rent of ₹3,84,829/- and premium ₹19,24,145/- was fixed.

(ii) When this sanction was communicated to M/s HPCL, they refused to accept the enhanced rentals and premium and kept on making payment of rentals, as per the previous sanctioned rates which was accepted by DEO as part payment of damages. Accordingly, Defence Estates officer Delhi Circle issued several notices on regular intervals to M/s HPCL asking them to clear outstanding Govt. dues and hand over possession of Defence land.

(iii) Taking cognizance of said reference and in order to take the possession of the defence land measuring 5525 sqft and 12000 sqft both situated at Sy. No.211/1, Delhi Cantt, action/proceedings under PPE Act, 1971 on defence land measuring 12000 sqft was initiated against the occupant to evict them from Defence land. Thereafter, finalization of proceedings, order under Sub-Section (1) of Section 5 of the PPE Act, 1971 was passed on 03.03.2015, directing them to vacate the premises.

(iv) Aggrieved with the said order, HPCL filed an appeal before the Court and obtained stay order on 12.03.2015. The said Case is still subjudice whereas, imposition and recovery of damage case is going on before Estate Officer, under PPE Act 1971.

iv) BPCL petrol pump at Delhi Cantonment, New Delhi:

The leases for retail petrol pump outlets/service stations were given under MOD policy letter dated 12.04.1972 read with letter dated 24.04.1980. These leases were initially given for a period of 10 years which were subsequently renewed for a period of 05 years at a time. The lease rent to be charged was on commercial basis at the rate of 04 times the residential/normal rent and premium was equal to rent multiplied by the number of years of lease period.

A number of such leases could not be renewed since the lessees (PSU oil companies like IOC, BPCL, HPCL) did not pay due rent with premium giving reasons of high lease rent and premium. In a few cases, the lease could not be renewed due to litigation.

Bharat Petroleum Corporation Ltd. filed the Writ Petitions (c) No.8877 of 2017 (M/s BPCL V/s Delhi Cantt. Board and Anr.) and No.8878 of 2017 (M/s L. Gopinath & Anr. Vs Delhi Cantonment Board & Ors) before the Hon'ble Delhi High Court challenging the order of the Ld. ADJ, Patiala House Courts, Delhi in PPA No.301 of 2016.

The Hon'ble High Court of Delhi constituted a Committee comprising Secretary (Defence) and Secretary (Petroleum) and Mr. Kirtiman Singh, learned Central Government Standing Counsel to examine the issue. The report of the Committee was considered by the Hon'ble Court. The Hon'ble Court vide its order dated 14.09.2018 has disposed of the case. Action on the observations/directions of Hon'ble Court is being taken by DGDE.

The subsequent progress in the case is as under:-

(i) BPCL and M/s L. Gopinath & Anr. Filed writ petition No.8877-8878 of 2017. The same came up for hearing on 09.10.2017 and 11.10.2017. The BPCL has pleaded that Ministry of Defence was in the process of formulating a new policy for renewal of leases of Petrol Pumps. Cantt Board Advocate clarified that the NOC for renewal of lease has not been given by Local Military authority on account of security threat to Military installations. In view of BPCL argument Hon'ble High Court sought following information:

(a) Whether MoD, Government of India was in process of formulating any policy for renewal of expired leases of petrol pumps.

(b) The existing policy as to lease of Defence land to oil companies and renewal of such leases.

(c) Basis of decision by the Station headquarters about the petrol pump being a security threat and

(d) Was there any policy of Government of India for relocation of petrol pump.

(ii) Affidavit on behalf of Union of India was filed. The Court directed both BPCL and Delhi Cantonment Board (DCB) to file brief note of submission alongwith copies of relevant documents on the next date of hearing.

(iii) The matter came up for hearing on 20.12.2017 & the Court permitted de-sealing of the Petrol Pump on 22.12.2017 for a period of 04 days for the purpose of enabling the dealer to empty the entire stock of petrol, diesel, oil and lubricants from the petrol pump and re-seal the same on 26.12.2017. The court also called for complete records relating to the plea of security issue raised by Delhi Cantt Board/LMA.

(iv) On the instructions of Hon'ble High Court, BPCL and Cantt Board Delhi agreed for a meeting on 24.05.2018, for amicable settlement. However, no agreement could be reached.

(v) The case was then heard on 31.05.2018 and Hon'ble High Court did not find material on record to support the contention of Cantonment Board, Delhi that Petrol pump was a security hazard. The High Court allowed to de-seal the petrol pump w.e.f. 15.06.2018 to 11.07.2018 & was pleased to constitute a committee comprising of Secretary (Defence), Secretary (Petroleum) and Shri Kirtiman Singh, CGSC to examine the following questions:-

- (a) Whether petrol pumps per se is a security hazard in cantonment; and more particularly whether the petrol pump in question is a security hazard to military installations in Delhi Cantonment? If so, the reasons be provided for the same.
- (b) If the petrol pump in question is found not to be a security hazard, whether the Petitioner is entitled to the renewal of the lease in terms of the policy of the Government contained in the letter dated 03.02.2016.
- (c) Whether the action of Respondent No.1 in sealing the petrol pump on 09.10.2017 before the commencement of writ petition is fair and reasonable?

The Committee submitted its report before the Hon'ble Court on 27.08.2018. The matter was lastly listed on 14.09.2018 and disposed off as the Cantonment Board agreed to renew the lease deed of the petitioners.

LPA No. 337 of 2018 filed by Cantt Board was also heard by Hon'ble Court on 13.06.2018, and did not consider it appropriate to interfere with order of the single judge, passed on 31.05.2018. The matter was lastly listed on 02.11.2018 and The Hon'ble Court dismissed the LPA with observation "keeping in view of the subsequent development that has taken place in the matter, learned counsel for appellant fairly states that now this appeal has been rendered infructuous. The appeal accordingly dismissed". Action on the observations/directions of Hon'ble Court is being taken by DGDE.

v) **Thane Sporting Club Committee at Thane, Mumbai:** The policy on leases given to "Recreational and sports clubs" is under finalization in DGDE. The due rent with arrears will be recovered on finalization of relevant policy.

vi) **Kumaon Mandal Vikas Nigam Limited (KMVNL) at Nanital:-** The lease deed between Ranikhet Cantt Board and Kumaon Mandal Vikas Nigam Limited (KMVL) has been executed on 08.08.2018 in Schedule IX of Cantonment Land Administration Rules, 1937 for a period of 05 years each, w.e.f 18.07.1989 to 17.07.2019. The rent, premium and damage charges amounting Rs.79,34,650/- have already been received in full, from KMVL.

No action is pending as all outstanding dues have already been paid by Kumaon Mandal Vikas Nigam Limited.

As regards updating of records pertaining to defence land leased out to Govt Department or private parties, DEOs/CEOs have updated their records and made relevant entries in Raksha Bhumi Software version 5.0 (RB 5.0). Based on guidelines issued from time to time by DGDE, all details pertaining to encroachments and leases have been entered by the field offices in RB 5.0. Most DEOs have also integrated the survey maps with BHUVAN. The remaining maps are being integrated. In some survey reports, due to loss of basic data it has not been possible to integrate the same with BHUVAN. DEOs are in the process of collating the data and uploading the survey maps on BHUVAN.

A High Level Committee was constituted under the Chairmanship of Shri Sumit Bose, IAS(Retd.), for Study on optimum use of Defence land and to regulate its commercial exploitation. The Committee made a detailed study in the matter and submitted its report wherein 131 recommendations have been made on various aspects of defence land. The said recommendations have been accepted by Hon'ble Raksha Mantri, for phase wise implementation.

With reference to Observations of PAC in its report, directions have been issued to DGDE vide MoD ID note dated 23.09.2019, to ensure that the process of renewal of lease be started one year before the date of expiry of every lease. (Annexure-1)

9. While vetting the above ATNs, the Audit made the following comments:-

(1) Ministry may intimate the PAC regarding recovery of outstanding lease rent alongwith arrears on finalization of policy on "Sports and Recreational clubs" alongwith final status of sub-judice cases.

(2) The Ministry in reply stated that the policy on "Sports and Recreational clubs" is under preparation in the DGDE and will be finalized soon. However, the draft policy is long pending with MoD since 2014. Ministry may apprise PAC the reasons for this abnormal delay in finalization of this policy.

(3) Ministry in reply has mentioned that 131 recommendations made by Shri Sumit Bose committee on various aspects of Defence land would be

implemented phase-wise. However, the Ministry has not specifically stated timelines for implementation of Sumit Bose Committee recommendations.

(4) The Ministry in reply stated that most DEOs have also integrated the survey maps with BHUVAN & the remaining maps are being integrated. However, the Ministry is silent on the exact number of DEOs which have integrated the survey maps with BHUVAN.

(5) The PAC had desired to finalize the leasing policy within three months of the presentation of the Report to Parliament. However, the Ministry is silent on specific timelines for implementation of leasing policy.

10. In further comments to the above said Audit observation, the Ministry stated as under:-

"As the policy for leasing out defence land for sports & recreational club is under consideration, the lease rent and premium will be assessed as per the provisions of the new policy as and when the same is finalized. It is further informed that MoD has issued a policy for extension or renewal of expired / expiring Cantonment Code or CLAR lease vide letter No. 110113/02/2016/D(Lands) dated 10.03.2017. The same was extended upto 31.12.2021. Further extension of policy with a provision for lease renewal automation on the online portal is under consideration.

The Status of Sub-judice cases are as under :

**(i) HPCL petrol pump cum service Station at Dhaula Kuan, New Delhi**

District Court have allowed the appeal filed by M/s HPCL against the Eviction order dated 03.03.2015, passed by Estate Officer, Delhi Cantt. and has remanded back the matter to Estate Officer for reconsidering it afresh in view of MoD policy dated 03.02.2016. Matter has been heard by the Estate Officer and the case has been reserved for final orders.

**(ii) BPCL petrol pump at Delhi Cantonment, New Delhi:**

Writ petition filed by BPCL has been decided by Hon'ble Court wherein it has been ordered that the writ petitions are disposed of as the Cantonment Board has agreed to review the lease deed of the petitioners. The Hon'ble Court further directed that appropriate action in terms of the report of the Committee of Board Resolution dated 07.09.2018 be taken by the Board within eight weeks from the date of issue of orders with advance copy to the petitioners. CEO, Delhi have initiated a proposal for renewal/ Extension of the lease from 14.11.1992 to 31.12.2021. Simultaneously, CEO, Delhi has raised a demand of Rs.7,46,58,871 towards occupation charges/ premium. The same is yet to be deposited by BPCL.

The draft policy is presently under inter –ministerial consultations. The draft policy is required to be deliberated clause wise with all stake holders.

131 Recommendations made by the Shri Sumit Bose Committee on various aspects of defence land, have been accepted by Hon'ble Raksha Mantri, for phase wise implementation. Out of 131 recommendations, 30 recommendations have already been implemented and the rest are under consideration for implementation.

GIS layer of the maps of defence land pockets generated in the land surveys carried out in phase I and II have been created in Land Management System (LMS) which is a software developed in conjunction with DGDE and Armed Forces. The layer comprises of defence land pockets under jurisdiction of all DEO circles.

MoD had issued interim policy for extension or renewal of expire/expiring Cantonment Code or CLAR lease vide letter no. 11013/02/2016/D(Lands) dated 10.03.2017. The same was extended upto 31.12.2021. The proposal of further extension of the bid policy with suitable amendments and automation is under consideration."

11. The Committee, in their Original Report had noted that failure to ensure timely lease renewal of defence lands under occupation of other Government Departments or private parties, by the Defence Estates Officers (DEOs) concerned on the pretext of litigations, non-availability of documents, incomplete or missing land records etc resulted in non-realization of revenue for years. The Committee, while emphasizing that the system of maintaining land records should be such as to ensure availability of updated records with all stakeholders and thereby enable in ensuring that Defence lands are managed systematically and scientifically, recommended that a comprehensive database containing necessary details on leased lands, its ownership etc. be created. The Committee had also desired the Ministry of Defence to finalize the leasing policy for defence lands which was pending since 2014 within three months of presentation of the Report to Parliament. The Committee had also desired that people should be proactively encouraged to report encroachments on Defence lands by uploading/geo-tagging the information on the Directorate General of Defence Estate (DGDE) website without having to reveal their personal identities. Further, the Committee had desired the Ministry to issue instructions to the DEOs that the process of renewal of lease be started one year before the date of expiry of the lease.

As regards creation and updating of data base of records pertaining to defence land leased out to other Government Departments or private parties, the

Committee note from reply of the Ministry that DEOs/Chief Executive Officers (CEOs) have updated their records and made relevant entries in Raksha Bhumi Software version 5.0 (RB 5.0) developed for the purpose. Further, DEOs are in the process of collating the data and uploading and integrating the survey maps on BHUVAN software. While taking note of the initiatives of the Ministry, the Committee desire that the process of collating data and integration of the survey maps be completed in a time bound manner and the Committee be apprised thereof.

On the issue of finalization of the leasing policy, the Committee note from the reply of the Ministry that the draft policy is under consideration and pending with Ministry of Defence for inter-ministerial consultation. The Committee are dismayed to note that instead of expediting finalization of the draft leasing policy, the Ministry have stated that extension of policy with a provision for automated lease renewal on the online portal is under consideration. The Committee feel that this is a short term measure only and cannot serve the purpose of leasing policy. While cautioning that such ad-hocism as well as undue delays may defeat the very objectives as envisaged in the leasing policy, the Committee reiterate their earlier recommendation and desire that leasing policy may be finalized expeditiously and completed within a specific timeline.

Further, the Committee also note that out of 131 recommendations, made by Sumit Bose Committee on various aspects of defence land, only 30 recommendations have been implemented as far. Taking serious note of the sluggish pace in implementation of recommendations of Sumit Bose Committee, the Committee desire the Ministry to furnish a detailed account of reasons for inordinate delay in initiating action in regard to as many as 101 recommendations. The Committee also desire that the timelines for implementation of the remaining recommendations may be specified and they be apprised thereof.

As regards the recommendation of the Committee that the process of renewal of lease be started one year before the date of expiry of the lease, the Ministry, in its action taken reply stated that directions have been issued in this regard to Directorate General of Defence Estate (DGDE) on 23.09.2019. The

Committee desire that a monitoring mechanism should also be evolved to ensure strict compliance of the instructions issued in the matter.

With regard to the recommendation of the Committee to proactively encourage reporting encroachments on Defence lands by uploading/geo-tagging the related information on the DGDE website, the Committee however, note that the reply of the Ministry is silent. The Committee exhort the Ministry of Defence to take necessary steps to create awareness amongst the people to report encroachment so that defence land stays protected. In this regard, the Committee also desire that the number of encroachments reported during the last three years and action taken thereon are also shared with them.

#### Unauthorized Occupation of Defence land by Other Government Department.

(Recommendation Para No. 2A)

12. *Audit highlighted that Defence land, measuring 0.7829 acres valuing Rs. 9.29 crore at Chennai were under unauthorized occupation of Railways for the last twenty five years without proper sanction by the Ministry of Defence and the rent outstanding was Rs. 8.63 crore. The Committee are shocked to note that the Defence authorities remained as mute spectators when the Railway authorities merely on the basis of a "No objection" for 0.52 acres of land, unauthorisedly occupied and completed construction on 0.7829 acres of Defence land. The Committee are surprised to observe that Defence Estate Officer failed to issue any show cause notice of the Railway authorities for further encroaching Defence land beyond the allotted land.*

*The Committee are perturbed to see that after being pointed out by the Audit and examined by the PAC, even though the Ministries of Defence and Railways in their meeting held on 14-3-2017 decided for mutual exchange of land at Chennai on equitable basis, they could not resolve the issue till date. At last when the Railways offered land opposite to Trisoolam station now the Defence instead of taking over the land and resolve the long pending issue demanded suitable land in the vicinity of Central Railway Station, Chennai for construction of MCO and Armabagh. The Committee, therefore, exhort the Ministry to take urgent steps to ensure equitable exchange of Railway land, set its record straight and obtain rental from Railway till such transfer of land. The committee desire that exemplary punishment for the officers who failed to take suitable action during encroachment and did not issue show cause notice to Railways at that time. Audit pointed out that Air Force Station, Pune allowed the AAI to use 4.73 acres of Defence land valuing Rs. 17.23 crore for commercial purpose as parking area without Government sanction resulting in revenue loss of Rs. 4.52 crore to the State on account of non-recovery of lease rent. Further, DEO Pune failed to take over the land and remained and meekly allowed commercial exploitation of the same leading to revenue loss.*



*The Committee are dismayed to note yet another classic example of continuous unauthorized commercial use of 4.73 acres of Defence land valuing Rs. 17.23 crore by the Airports Authority of India at Pune since 2007. This resulted in further loss of rent to the tune of Rs. 4.52 crore to the State. AAI had further leased the land for parking to a private centre who was collecting parking charges and no rent was recovered from AAI and credited to Government accounts. Even though the land was provided for the upcoming Commonwealth Youth Games, no formal working permission was given to the AAI. The Board of Officers constituted could not complete its task as the representative of AAI did not report for its proceedings. The Defence Ministry while tendering evidence apprised the Committee that despite assurance for full cooperation given during the meeting of Defence Ministry and the MoCA on 13/8/2014, the AAI is still to act in the matter. Subsequently, it was decided by the Ministries that the land can be exchanged alongwith other pockets of land on the basis of barter matrix. A proposal for approval of Cabinet on the exchange of land between IAF(MoD) and AAI (MoCA) as per land barter Matrix is at the stage of inter ministerial consultation.*

*The Committee note that the Ministry became proactive only after the land irregularities were pointed out by the Audit. The Committee desire that the land Barter Matrix between MoD and MoCA be expedited, land restored, lease rent for the period obtained this being tip of the iceberg and enquiry set up to find out similar cases of encroachments, land restored and the officials responsible for allowing such encroachments be awarded exemplary punishments.*

*The Committee are of the strong view that since computerization has led to accessibility of records at every level, timelines be fixed for physical verification of lands, disposing off the cases of requests for leasing of land etc. The Committee desire that the Ministry may apprise them about the steps being taken for streamlining the procedure of transfer of Defence land from MoD to other Government Departments.*

13. The Ministry of Defence in their Action Taken Notes have stated as under:-  
“(i) Southern Railways, Chennai: The LMA sought equal value of Railway land at the Central Railway Station, Chennai or Egmore Railway Station for the purpose of MCO and Aramgrah in lieu of the defence land measuring 0.7829 acre under occupation of Railway authorities. However the Ministry of Railway vide their letter dated 12.02.2018, intimated that the said lands cannot be spared as the same are proposed for redevelopment of stations and offered land measuring 990.056 Sqm at Meenambakkam Railway Station.

Further, it is submitted that a offer given by Ministry of Railway in lieu of above cited land, was conveyed to the local Military Authorities/Station HQ, who informed that the “Transfer of land measuring 990.056 sq mtr at Meenabakkam Railway Station is not required/not recommended, to be taken as the same is of no use for them”. Further, LMA has again requested to transfer of land in Chennai Central/ Egmore/ Cochin/ Coimbatore/Madurai Railway Stations for MCO/Aramgrah, in lieu of defence land, encroached by Railways. DEO Chennai vide letter dated 07.09.2018 and 16.10.2018, has taken up the matter with Senior

Divisional Engineer (Coordination) Divisional Office Chennai. The matter is under consideration with Railway Authorities.

(ii) Exchange of Defence Lands with Air Port Authority of India (AAI) : As regards, unauthorized commercial use of 4.73 acres of Defence land valuing Rs.17.23 crore by the Airports Authority of India at Pune since 2007. The subject land transfer is a part of Land Barter Matrix (LBM) between Indian Air Force (IAF) and Airports Authority of India (AAI) which includes mutual land transfer at six places i.e. Pune, Ahmedabad, Gorakhpur, Agra, Trivandrum and Belgaum. The LBM provides for waiving of rentals and mutual transfer of land between IAF and AAI as per requirements of both the organizations. A copy of Land Barter Matrix is enclosed as Annexure-2. The said LBM has approved by Hon'ble Raksha Mantri in October 2017 and also approved by Ministry of Civil Aviation (MoCA) in May 2018. Head Quarter, SWAC has been directed to complete Board Proceedings towards transfer of 4.73 acres of land to AAI at Pune.

A Cabinet Note for the proposed 'land barter matrix' between IAF(MoD) and Airport Authority of India (AAI), Ministry of Civil Aviation (MoCA) is yet to be approved by Cabinet. A copy of the approval of the Cabinet would be furnished as and when received from Ministry of Civil Aviation.

Further, with the computerization of land record and periodic monitoring of encroachments at the DGDE/MoD, the cases of encroachments are reported immediately on detection. DEOs and CEOs have been issued strict instructions to remove encroachments in the earliest possible time. There are certain constraints in removal of encroachments due to disputes on land title, non availability of police, status quo orders issued by Courts or admin stays issued by the Govt. Such cases take long time before the encroachments can be removed. As on 31.12.2018, the encroachment by State/Central Govt. Deptt. are as follows:-

S.No.	State/Union Territory	Area of encroachment (in acres)
1	Andhra Pradesh	21.97
2	Andaman & Nicobar	26.521
3	Assam	460.5397
4	Arunachal Pradesh	87.8141
5	Bihar	478.974
6	Chandigarh	0
7	Chhattisgarh	165.768
8	Delhi	111.3013

9	Goa	4.264
10	Gujarat	164.6238
11	Haryana	538.8215
12	Himachal Pradesh	60.1421
13	Jammu & Kashmir	339.2447
14	Jharkhand	304.932
15	Karnataka	131.7923
16	Kerala	2.6839
17	Lakshadweep	0.08
18	Maharashtra	923.5062
19	Madhya Pradesh	1639.83
20	Manipur	6.1308
21	Meghalaya	11.0855
22	Mizoram	0
23	Nagaland	357.53
24	Odisha	0.11
25	Puducherry	0
26	Punjab	240.68
27	Rajasthan	475.2829
28	Sikkim	0.2903
29	Telangana	146.2478
30	Tamilnadu	101.2418
31	Tripura	1
32	Uttar Pradesh	2204.836
33	Uttarakhand	57.3982
34	West Bengal	558.165
35	Dadra & Nagar Haveli	0
36	Daman & Diu	0
	<b>Total</b>	<b>9522.807</b>

These have been taken up with respective State Governments, on principle of EVL/EVI, both by DGDE & MoD. However, strict monitoring ensures that new encroachments are prevented and if detected the same are removed within a short time.

14.. While vetting the above ATNs, the Audit made the following comments:-

- (i) The Ministry may apprise the PAC regarding status of land transferred to Local Military Authorities (LMA) by Railway Authorities as well as approval by Cabinet of proposed Land Barter matrix between IAF(MoD) and AAI, Ministry of Civil Aviation(MoCA).

(ii) The Ministry is silent on PAC recommendation of exemplary punishment to officials responsible for allowing encroachment.

(iii) Further, status of encroached land (9622.807 acre) restored has not been provided by the Ministry in its reply.

(iv) The PAC had desired to be intimated of the steps being taken for streamlining the procedure of transfer of Defence land from MoD to other Government Departments. Ministry reply is silent on this aspect. Ministry may therefore apprise PAC of steps taken in this regard.

15. In further comments to the above said Audit observation, the Ministry stated as under:-

1. The Railways has not offered any land other than 990.056 sqm of land at Meenambakam Railway Station. Hence, there is no change in the status. With regard to proposed Land Barter Matrix between IAF(MoD) and AAI, Ministry of Civil Aviation(MoCA), it is informed that the Land Barter Matrix is under examination in MoD in consultation with Air Force HQ.

(2&3) Actions for removal of encroachments are taken as per provisions of Cantonment Act, 2006 and PPE Act, 1971 by the field officers. Concrete actions have been taken for early detection and removal of encroachment. Following specific actions including interventions by use of high end technologies have been initiated for management of defence land:-

- i. **Land Management System (LMS):** The Land Management System (LMS) software has been developed by Department of Defence in conjunction with DGDE and Armed forces. The technical support for this GIS-based system has been provided by BISAG, India's premier organization in GIS based informatics. The software, apart from capturing the textual details of all proposals relating to defence land management, integrates these textual details with Raksha Bhoomi software as well as other relevant GIS-layers which include satellite imagery of the area, other amenities etc. The portal is expected to bring in greater speed, transparency and efficiency into the Land Management System (LMS) of the Department.
- ii. **Use of drones and satellite imagery:** Latest survey technology using drone and satellite imagery have been adopted to complete survey of defence land in shortest possible time. Such survey shall help in detection of encroachments.
- iii. **Change detection software:** Change detection software based on thermal imagery is being developed by DGDE under the guidance of BARC. This

software is expected to detect encroachment on far flung defence land almost on real time basis.

- iv. **Analysis of open/vacant areas:** A software is being developed under the guidance of BARC to analyse the open/vacant defence land using satellite imagery. This would help in better management of vacant defence land which is otherwise prone to encroachment.
- v. **3D resolution on hilly terrain:** 3D images are being utilized to calculate area of defence land in hilly terrain.
- vi. **Threat Matrix:** Threat matrix based on eleven (11) objective criteria has been developed and implemented to detect vulnerability of defence land and take appropriate steps based on vulnerability assessment.
- vii. **Construction of Boundary walls/ Pillars/ Fencing:** MoD has sanctioned project for construction of boundary wall, fencing and boundary pillars for protection of defence land prone to encroachment. Fund has also been allocated for this purpose.
- viii. **SoPs for real time updation:** Detailed SoP for real time updation of defence land records has been issued to the field offices for efficient management of defence land.
- ix. **Land Audit:** Regular land audit for all defence land is being undertaken by Defence Estate Organization at regular periodicity interalia covering encroachments on Defence Lands; the extent and reasons thereof and effectiveness of encroachments' removal actions. Defence land audit is a continuing process which commenced on 2011-12. The land audit reports are circulated to the respective Service HQs for their further necessary action. A total of 1027.9369 acres of defence land has been freed from encroachment in last 5 years. The state wise details of such land is enclosed as **Annexure 3**.

4. Transfer of defence land to other Government Departments/State Government and its agencies are done as per the provisions contained in Ministry of Defence letters No.11015/02/2012/D(Lands) dated 11.05.2015, 11015/02/2012/D(Lands) dated 02.02.2016 amended vide even number dated 21.10.2020 and 03.03.2022 on the basis of provisioning of Equal Value Land(EVL)/ payment of market value of land/ construction of Equal Value Infrastructure(EVI) by the Indenting Agency, as the case may be. The ibid policy letters are enclosed as Annexures 4A, 4B, 4C and 4D.

In addition to this, Ministry has developed a portal ([survey.ncog.gov.in/NOC\\_Land](http://survey.ncog.gov.in/NOC_Land)) through which the Indenting Agencies submit their application for transfer of defence land for public utility Infrastructure/ projects. All such proposals are now processed through the portal for approval of the Competent Authority. This has expedited the time taken for disposal of such requests received from different Indenting Agencies for defence land proposed to be used for public infrastructure projects. Besides, an online portal by the name Land Management System (LMS) has been developed for monitoring of all such

requests for Working Permission. The ibid portal, apart from capturing the textual details of all proposals relating to defence land management, integrates these textual details with relevant GIS-layers which include satellite imagery of the area, other amenities etc.”

16. The Committee, while observing that Ministries of Defence and Railways decided for mutual exchange of land at Chennai on equitable basis to resolve the issue of encroachment of defence lands by Railways had exhorted the Ministry to take urgent steps to ensure equitable exchange of Railway land, and obtain rental from Railways till such exchange is concretized. The Committee had also noted that a proposal for approval of Cabinet on the exchange of land between IAF(MoD) and AAI (MoCA) as per land barter Matrix is at the stage of inter ministerial consultation. The Committee had recommended that the proposed land Barter Matrix between MoD and MoCA be expedited, land restored, lease rent for the period obtained and enquiry set up to find out similar cases of encroachments, and the officials responsible for allowing such encroachments be awarded exemplary punishment. The Committee had also desired that the Ministry may apprise them about the steps being taken for streamlining the procedure of transfer of Defence land from MoD to other Government Departments.

As regards the status of equitable exchange of Railway land, the Committee note from the reply of the Ministry that transfer of land measuring 990.056 Sqm at Meenambakkam Railway Station offered by the Railway has not been agreed upon by the Ministry. Further, DEO Chennai *vide* letter dated 07.09.2018 and 16.10.2018, has taken up the matter with Senior Divisional Engineer (Coordination), Divisional Office, Chennai and the matter is under consideration with Railway Authorities. The Committee note that the matter is being dealt with by middle level officers and they have not been able to resolve the issue by working out a mutually acceptable solution. The Committee desire that the matter of equitable exchange with Railway lands may be taken up at the senior most level to ensure early resolution of the matter. The Committee would like to be apprised of the tangible action taken in the regard.

As regards unauthorized commercial use of 4.73 acres of Defence land valuing Rs.17.23 crore by the Airports Authority of India at Pune since 2007, the

Ministry in its reply has stated that this is a part of Land Barter Matrix (LBM) between Indian Air Force (IAF) and Airports Authority of India (AAI) that provides for waiving of rentals and mutual transfer of land between IAF and AAI as per requirements of both the organizations at six places. The Committee have also been informed that the proposed Land Barter Matrix (LBM) between IAF (MoD) and AAI (Ministry of Civil Aviation) is under examination in Ministry of Defence in consultation with Air Force HQ. The Committee, while noting that Land Barter Matrix (LBM) has been proposed for streamlining the procedure of transfer of Defence land from M/o Defence to other government bodies opine that the lot of time has gone into the consultation process. They therefore, desire that concrete action should be taken for early implementation of this measure.

The Committee also note that specific actions including interventions by use of high end technologies have been initiated for management of defence land and also for removal of encroachments which *inter alia* include initiation of Land Management System, Use of drones and satellite imagery; Change detection software; Analysis of open/vacant areas; 3D resolution on hilly terrain; threat Matrix and Construction of Boundary walls. The Committee however, note with concern that despite the claim of concrete actions taken for early detection and removal of encroachment by use of high end technologies, only 1027.9369 acres (merely 10% of total 9622.807 acres encroached of defence land) has been freed from encroachment in the last 5 years. In view of the fact that a large chunk of defence land is still not free of encroachment, the Committee desire the Ministry to pursue the matter more vigorously and make earnest efforts to get their land freed in a time bound frame.

The Committee also urge the Ministry to vigorously follow up the cases where status quo orders have been issued by Courts. The Committee also find from the reply that the Ministry of Defence only issued instructions on 31.03.2020 to all Government bodies including all CPSEs/Boards/Authorities, etc. to resolve all cases between the various wings of Government of India or those that fall under its aegis. The Committee would like to be apprised of the specific actions taken thereon.

Regarding ensuring exemplary punishment to officials responsible for allowing encroachment, the Committee note that action taken reply of the

Ministry is silent on this aspect. The Committee, while expressing dismay over the inaction of the Ministry, reiterate that an enquiry should be urgently set up to identify the officers who allowed encroachment of defence land.





## CHAPTER II

### OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### 1. Introduction

The Ministry of Defence (MoD) is the biggest land holder of Government lands in our Country comprising about 17.60 lakh acres. The management of Defence lands is handled by Directorate General of Defence Estates (DGDE), an agency specifically created for the said purpose under the aegis of MoD and provides advisory inputs on all Cantonments and land matters to the MoD and Service Headquarters i.e. Army, Navy, Air Force and other organizations under MoD. The responsibilities of DGDE include acquisition of lands, resettlement and rehabilitation of displaced persons, hiring and requisitioning of lands and buildings, ensuring Implementation of Cantonments Act 2006, Policies, Rules & Regulations and Executive Instructions. The comptroller and Auditor General of India (C&AG) have time and again scrutinized Defence land management and in their various Audit Reports have highlighted repeated instances of unsatisfactory management of Defence estates, serious lapses and irregularities, misuse of Defence land by the Local Military Authorities (LMAs) for unauthorized purposes, unauthorized occupation of Defence land by the ex-lessees due to non-renewal of leases occupation of Defence land by the ex-lessees due to non-renewal of leases in time, encroachment of Defence lands by other Union/State Government Departments, failure on the part of Defence Estates Officers (DEOs) to renew/terminate leases and consequent loss of revenue to the tune of approximately ₹ 838.34 crore for periods ranging from four years to as long as 46 years. Against this backdrop, the PAC (2014-15) selected the said subject for detailed examination and Report. However, due to paucity of time, the subject was carried forward and examined by PAC (2015-16), (2016-17) and (2017-18) which revealed various other short comings. The observations/ recommendations of Committee have been detailed in the succeeding paragraphs.

[Para 1]

#### Vetting Remarks of Audit

There are no comments by Audit

2. Delay in renewal of leases of Defence lands and consequent non-realisation of Revenue.

The Committee noted that there were many cases spread across the length and breadth of the country where renewal of leased Defence lands had been pending for years and the concerned DEOs had not taken any action on the same on the pretext of litigations, unavailability of documents, incomplete or missing land records etc. Also, since hiring of land is a direct agreement between the DEOs and the lessees, the Committee are of the view that onus lies entirely on the former for timely renewals and the subsequent realization of revenues in each case. The Committee note the cases of inordinate delay in renewal of leases pointed out by the Audit viz. Royal Calcutta Turf Club (RCTC), Kolkata; IOCL Bulk Petroleum Installation at Pune; HPCL petrol pump cum service station at Dhaula Kuan, New Delhi; BPCL petrol pump at Delhi Cantt, New Delhi; Thane Sporting Club Committee at Thane, Mumbai and Kumaon Mandal Vikas Nigal Limited (KMVNL) at Nainital. The Committee are dismayed to note that the lease renewals were not being done timely resulting in non-realization of revenue for years. The committees observe that Defence land record management has not been satisfactory and requires a complete overhaul. They note that all records pertaining to Defence lands leased to other Government Departments or private parties, exchanged between Government Departments or bought and sold are not regularly updated resulting in evasion of taxes and non-reflection of the actual ground position as well. The Committee desires that the system of maintaining land records should be such so as to ensure availability of updated records with all stakeholders so that Defence lands are managed systematically and scientifically. The Committee while noting the Project Raksha Bhoomi & Bhuvan are being implemented, desire that a comprehensive database be created containing details of the lessees (present and past), previous land owners, date of lease and expiry thereof, hyperlink to the maps, present status of the land whether being used commercially or otherwise, the lease rates, the present measurement, rentals and the category of the land. The Committee desire that people should be proactively encouraged to report encroachments on Defence lands by taking pictures of the same and uploading/geotagging it on the DGDE website and at the same time keeping the identity of the uploader confidential thereby stemming encroachments. The Committee exhort the Ministry/DGDE to finalize the leasing policy, as the Sumit Bose Committee has already given its Report, within three months of the presentation of this Report to Parliament. The Committee desire the Ministry to issue instruction to the DEOs that the process of renewal of lease be started one year before the date of expiry of every lease.

[Para 2]

## Action Taken

As regard to the points, pointed out by the Public Accounts Committee on the cases of inordinate delay in renewal of leases the action taken are as under:-

i) **Royal Calcutta Turf Club (RCTC), Kolkata:-** The matter of renewal/ extension of lease in respect of RCTC pertains to DEO Kolkata Circle, under jurisdiction of Eastern Command. The Defence land measuring 153.416 acres at Kolkata Maidan is leased out to RCTC for a period of 30 years, with effect from 01.01.1932. The lease was further renewed for another period of 30 years w.e.f. 01.01.1962 to 31.12.1991 at an annual rent of Rs.20,000/-. The MoD vide letter dated 12.2.2004 accorded sanction for extension of the lease period for another 15 years with effect from 01.01.1992 to 31.12.2006. As per the terms and conditions laid down in the MoD letter dated 12.02.2004, the lease rent was received by DEO from RCTC up to 31.12.2006. After expiry of the lease period on 31.12.2006, RCTC requested for the renewal of the lease for another 15 years with effect from 01.01.2007 to 31.12.2021, with certain additional facilities. The rent from RCTC is not recovered, as the policy on 'Sports and Recreational Clubs' is under preparation in the DGDE and will be finalized soon. Further, the question regarding loss of revenue for Government does not arise in this case, as the rent will be realized after finalization of the Policy.

ii) **IOCL Bulk Petroleum installation at Pune:-** The MoD issued ex-post facto sanction vide letter dated 18.11.2016 for renewal of lease of one acre of defence land in Rev Sy No. 311 at Wellesly Road, Pune held under occupation of IOC w.e.f 07.09.1966 to 06.09.2016 on payment of total value of rent and premium of ₹8,50,62,790/-.

DEO, Pune has recovered lease rent of ₹8,42,96,161/- (Rupees Eight Crore Forty Two Lakhs Ninty Six thousand one hundred and sixty one only) towards the rent, premium and additional payment as arrears, as per MoD sanction dated 18.11.2016 for the period 07.09.1966 till up to 06.09.2016. The details of recovery are:

S.No.	Date of recovery	Lease rent recovered in Rs.
1	09.02.2018	4,48,51,360/-
2	07.02.2019	3,94,44,801/-
	Total	8,42,96,161/-

The Indian Oil Corporation has stated that it has previously paid ₹11,71,129/- between the Year 1966-2013. The IOC has now forwarded payments receipts issued by BSO, Army Pune which were not taken into account in MoD sanction dated 18.11.2016. The same is being verified and reconciled by the DEO Pune.

iii) **HPCL petrol pump cum service Station at Dhaula Kuan, New Delhi**

- (i) An area measuring 5525 sqft out of defence land in Sy. No.211/1 Dhaula Kuan was last leased out to M/s HPCL. upto 31.01.1995 at the annual rent of ₹98,102/- and premium of ₹ 490512/-. In another case for an area measuring 12000 sqft out of Sy. No.211/1, Dhaula Kuan defence land was leased out up to 31.01.1995 @ annual rent of ₹3,84,829/- and premium ₹19,24,145/- was fixed.
- (ii) When this sanction was communicated to M/s HPCL, they refused to accept the enhanced rentals and premium and kept on making payment of rentals, as per the previous sanctioned rates which was accepted by DEO as part payment of damages. Accordingly, Defence Estates officer Delhi Circle issued several notices on regular intervals to M/s HPCL asking them to clear outstanding Govt. dues and hand over possession of Defence land.
- (iii) Taking cognizance of said reference and in order to take the possession of the defence land measuring 5525 sqft and 12000 sqft both situated at Sy. No.211/1, Delhi Cantt, action/proceedings under PPE Act, 1971 on defence land measuring 12000 sqft was initiated against the occupant to evict them from Defence land. Thereafter, finalization of proceedings, order under Sub-Section (1) of Section 5 of the PPE Act, 1971 was passed on 03.03.2015, directing them to vacate the premises.
- (iv) Aggrieved with the said order, HPCL filed an appeal before the Court and obtained stay order on 12.03.2015. The said Case is still subjudice whereas, imposition and recovery of damage case is going on before Estate Officer, under PPE Act 1971.

iv) **BPCL petrol pump at Delhi Cantonment, New Delhi:**

The leases for retail petrol pump outlets/service stations were given under MOD policy letter dated 12.04.1972 read with letter dated 24.04.1980. These leases were initially given for a period of 10 years which were subsequently renewed for a period of 05 years at a time. The lease rent to be charged was on commercial basis at the rate of 04 times the residential/normal rent and premium was equal to rent multiplied by the number of years of lease period.

A number of such leases could not be renewed since the lessees (PSU oil companies like IOC, BPCL, HPCL) did not pay due rent with premium giving reasons of high lease rent and premium. In a few cases, the lease could not be renewed due to litigation.

Bharat Petroleum Corporation Ltd. filed the Writ Petitions (c) No.8877 of 2017 (M/s BPCL V/s Delhi Cantt. Board and Anr.) and No.8878 of 2017 (M/s L. Gopinath & Anr. Vs

Delhi Cantonment Board & Ors) before the Hon'ble Delhi High Court challenging the order of the Ld. ADJ, Patiala House Courts, Delhi in PPA No.301 of 2016.

The Hon'ble High Court of Delhi constituted a Committee comprising Secretary (Defence) and Secretary (Petroleum) and Mr. Kirtiman Singh, learned Central Government Standing Counsel to examine the issue. The report of the Committee was considered by the Hon'ble Court. The Hon'ble Court vide its order dated 14.09.2018 has disposed of the case. Action on the observations/directions of Hon'ble Court is being taken by DGDE.

The subsequent progress in the case is as under:-

(i) BPCL and M/s L. Gopinath & Anr. Filed writ petition No.8877-8878 of 2017. The same came up for hearing on 09.10.2017 and 11.10.2017. The BPCL has pleaded that Ministry of Defence was in the process of formulating a new policy for renewal of leases of Petrol Pumps. Cantt Board Advocate clarified that the NOC for renewal of lease has not been given by Local Military authority on account of security threat to Military installations. In view of BPCL argument Hon'ble High Court sought following information:

- (a) Whether MoD, Government of India was in process of formulating any policy for renewal of expired leases of petrol pumps.
- (b) The existing policy as to lease of Defence land to oil companies and renewal of such leases.
- (c) Basis of decision by the Station headquarters about the petrol pump being a security threat and
- (d) Was there any policy of Government of India for relocation of petrol pump.

(ii) Affidavit on behalf of Union of India was filed. The Court directed both BPCL and Delhi Cantonment Board (DCB) to file brief note of submission alongwith copies of relevant documents on the next date of hearing.

(iii) The matter came up for hearing on 20.12.2017 & the Court permitted de-sealing of the Petrol Pump on 22.12.2017 for a period of 04 days for the purpose of enabling the dealer to empty the entire stock of petrol, diesel, oil and lubricants from the petrol pump and re-seal the same on 26.12.2017. The court also called for complete records relating to the plea of security issue raised by Delhi Cantt Board/LMA.

(iv) On the instructions of Hon'ble High Court, BPCL and Cantt Board Delhi agreed for a meeting on 24.05.2018, for amicable settlement. However, no agreement could be reached.

- (v) The case was then heard on 31.05.2018 and Hon'ble High Court did not find material on record to support the contention of Cantonment Board, Delhi that Petrol pump was a security hazard. The High Court allowed to de-seal the petrol pump w.e.f. 15.06.2018 to 11.07.2018 & was pleased to constitute a committee comprising of Secretary (Defence), Secretary (Petroleum) and Shri Kirtiman Singh, CGSC to examine the following questions:-
- (a) Whether petrol pumps per se is a security hazard in cantonment; and more particularly whether the petrol pump in question is a security hazard to military installations in Delhi Cantonment? If so, the reasons be provided for the same.
- (b) If the petrol pump in question is found not to be a security hazard, whether the Petitioner is entitled to the renewal of the lease in terms of the policy of the Government contained in the letter dated 03.02.2016.
- (c) Whether the action of Respondent No.1 in sealing the petrol pump on 09.10.2017 before the commencement of writ petition is fair and reasonable?

The Committee submitted its report before the Hon'ble Court on 27.08.2018. The matter was lastly listed on 14.09.2018 and disposed off as the Cantonment Board agreed to renew the lease deed of the petitioners.

LPA No. 337 of 2018 filed by Cantt Board was also heard by Hon'ble Court on 13.06.2018, and did not consider it appropriate to interfere with order of the single judge, passed on 31.05.2018. The matter was lastly listed on 02.11.2018 and The Hon'ble Court dismissed the LPA with observation "keeping in view of the subsequent development that has taken place in the matter, learned counsel for appellant fairly states that now this appeal has been rendered infructuous. The appeal accordingly dismissed". Action on the observations/directions of Hon'ble Court is being taken by DGDE.

v) **Thane Sporting Club Committee at Thane, Mumbai:** The policy on leases given to "Recreational and sports clubs" is under finalization in DGDE. The due rent with arrears will be recovered on finalization of relevant policy.

vi) **Kumaon Mandal Vikas Nigam Limited (KMVNL) at Nanital:-** The lease deed between Ranikhet Cantt Board and Kumaon Mandal Vikas Nigam Limited (KMVL) has been executed on 08.08.2018 in Schedule IX of Cantonment Land Administration Rules, 1937 for a period of 05 years each, w.e.f 18.07.1989 to 17.07.2019 . The rent, premium and damage charges amounting Rs.79,34,650/- have already been received in full, from KMVL.

No action is pending as all outstanding dues have already been paid by Kumaon Mandal Vikas Nigam Limited.

As regards updating of records pertaining to defence land leased out to Govt Department or private parties, DEOs/CEOs have updated their records and made relevant entries in Raksha Bhumi Software version 5.0 (RB 5.0). Based on guidelines issued from time to time by DGDE, all details pertaining to encroachments and leases have been entered by the field offices in RB 5.0. Most DEOs have also integrated the survey maps with BHUVAN. The remaining maps are being integrated. In some survey reports, due to loss of basic data it has not been possible to integrate the same with BHUVAN. DEOs are in the process of collating the data and uploading the survey maps on BHUVAN.

A High Level Committee was constituted under the Chairmanship of Shri Sumit Bose, IAS(Retd.), for Study on optimum use of Defence land and to regulate its commercial exploitation. The Committee made a detailed study in the matter and submitted its report wherein 131 recommendations have been made on various aspects of defence land. The said recommendations have been accepted by Hon'ble Raksha Mantri, for phase wise implementation.

With reference to Observations of PAC in its report, directions have been issued to DGDE vide MoD ID note dated 23.09.2019, to ensure that the process of renewal of lease be started one year before the date of expiry of every lease. (Annexure-1)

#### **Vetting Remarks of Audit**

MoD reply is vetted subject with following comments :-

- (1) Ministry may intimate the PAC regarding recovery of outstanding lease rent alongwith arrears on finalization of policy on "Sports and Recreational clubs" alongwith final status of sub-judice cases.
- (2) The ministry in reply stated that the policy on "Sports and Recreational clubs" is under preparation in the DGDE and will be finalized soon. However, the draft policy is long pending with MoD since 2014. Ministry may apprise PAC the reasons for this abnormal delay in finalization of this policy.
- (3) Ministry in reply has mentioned that 131 recommendations made by Shri Sumit Bose committee on various aspects of Defence land would be implemented phase-wise. However, the Ministry has not specifically stated timelines for implementation of Sumit Bose Committee recommendations.



(4) The Ministry in reply stated that most DEOs have also integrated the survey maps with BHUVAN & the remaining maps are being integrated. However, the Ministry is silent on the exact number of DEOs which have integrated the survey maps with BHUVAN.

(5) The PAC had desired to finalize the leasing policy within three months of the presentation of the Report to Parliament. However, the Ministry is silent on specific timelines for implementation of leasing policy.

#### **Reply of the Ministry on the vetting remarks of Audit**

1) As the policy for leasing out defence land for sports & recreational club is under consideration, the lease rent and premium will be assessed as per the provisions of the new policy as and when the same is finalized. It is further informed that MoD has issued a policy for extension or renewal of expired / expiring Cantonment Code or CLAR lease vide letter No. 110113/02/2016/D(Lands) dated 10.03.2017. The same was extended upto 31.12.2021. Further extension of policy with a provision for lease renewal automation on the online portal is under consideration.

The Status of Sub-judice cases are as under :

#### **(i) HPCL petrol pump cum service Station at Dhaula Kuan, New Delhi**

District Court have allowed the appeal filed by M/s HPCL against the Eviction order dated 03.03.2015, passed by Estate Officer, Delhi Cantt. and has remanded back the matter to Estate Officer for reconsidering it afresh in view of MoD policy dated 03.02.2016. Matter has been heard by the Estate Officer and the case has been reserved for final orders.

#### **(ii) BPCL petrol pump at Delhi Cantonment, New Delhi:**

Writ petition filed by BPCL has been decided by Hon'ble Court wherein it has been ordered that the writ petitions are disposed of as the Cantonment Board has agreed to review the lease deed of the petitioners. The Hon'ble Court further directed that appropriate action in terms of the report of the Committee of Board Resolution dated 07.09.2018 be taken by the Board within eight weeks from the date of issue of orders with advance copy to the petitioners. CEO, Delhi have initiated a proposal for renewal/ Extension of the lease from 14.11.1992 to 31.12.2021. Simultaneously, CEO, Delhi has raised a demand of Rs.7,46,58,871 towards occupation charges/ premium. The same is yet to be deposited by BPCL

- 2) The draft policy is presently under inter –ministerial consultations. The draft policy is required to be deliberated clause wise with all stake holders.
- 3) 131 Recommendations made by the Shri Sumit Bose Committee on various aspects of defence land, have been accepted by Hon'ble Raksha Mantri, for phase wise implementation. Out of 131 recommendations, 30 recommendations have already been implemented and the rest are under consideration for implementation.
- 4) GIS layer of the maps of defence land pockets generated in the land surveys carried out in phase I and II have been created in Land Management System (LMS) which is a software developed in conjunction with DGDE and Armed Forces. The layer comprises of defence land pockets under jurisdiction of all DEO circles.
- 5) MoD had issued interim policy for extension or renewal of expire/expiring Cantonment Code or CLAR lease vide letter no. 11013/02/2016/D (Lands) dated 10.03.2017. The same was extended upto 31.12.2021. The proposal of further extension of the ibid policy with suitable amendments and automation is under consideration.

#### **2A. Unauthorized Occupation of Defence land by Other Government Departments.**

**Audit highlighted that Defence land, measuring 0.7829 acres valuing Rs. 9.29 crore at Chennai were under unauthorized occupation of Railways for the last twenty five years without proper sanction by the Ministry of Defence and the rent outstanding was Rs. 8.63 crore. The Committee are shocked to note that the Defence authorities remained as mute spectators when the Railway authorities merely on the basis of a "No objection" for 0.52 acres of land, unauthorisedly occupied and completed construction on 0.7829 acres of Defence land. The Committee are surprised to observe that Defence Estate Officer failed to issue any show cause notice of the Railway authorities for further encroaching Defence land beyond the allotted land.**

**The Committee are perturbed to see that after being pointed out by the Audit and examined by the PAC, even though the Ministries of Defence and Railways in their meeting held on 14-3-2017 decided for mutual exchange of land at Chennai on equitable basis, they could not resolve the issue till date. At last when the Railways offered land opposite to Trisoolam station now the Defence, instead of taking over the land and resolve the long pending issue demanded suitable land in the vicinity of Central Railway Station, Chennai for construction of MCO and Armabagh. The Committee, therefore, exhort the Ministry to take urgent steps to ensure equitable exchange of Railway land, set its record straight**

and obtain rental from Railway till such transfer of land. The committee desire that exemplary punishment for the officers who failed to take suitable action during encroachment and did not issue show cause notice to Railways at that time. Audit pointed out that Air Force Station, Pune allowed the AAI to use 4.73 acres of Defence land valuing Rs. 17.23 crore for commercial purpose as parking area without Government sanction resulting in revenue loss of Rs. 4.52 crore to the State on account of non-recovery of lease rent. Further, DEO Pune failed to take over the land and remained and meekly allowed commercial exploitation of the same leading to revenue loss.

The committee are dismayed to note yet another classic example of continuous unauthorized commercial use of 4.73 acres of Defence land valuing Rs. 17.23 crore by the Airports Authority of India at Pune since 2007. This resulted in further loss of rent to the tune of Rs. 4.52 crore to the State. AAI had further leased the land for parking to a private centre who was collecting parking charges and no rent was recovered from AAI and credited to Government accounts. Even though the land was provided for the upcoming Commonwealth Youth Games, no formal working permission was given to the AAI. The Board of Officers constituted could not complete its task as the representative of AAI did not report for its proceedings. The Defence Ministry while tendering evidence apprised the Committee that despite assurance for full cooperation given during the meeting of Defence Ministry and the MoCA on 13/8/2014, the AAI is still to act in the matter. Subsequently, it was decided by the Ministries that the land can be exchanged alongwith other pockets of land on the basis of barter matrix. A proposal for approval of Cabinet on the exchange of land between IAF(MoD) and AAI (MoCA) as per land barter Matrix is at the stage of inter ministerial consultation.

The committee note that the Ministry became proactive only after the land irregularities were pointed out by the Audit. The Committee desire that the land Barter Matrix between MoD and MoCA be expedited, land restored, lease rent for the period obtained this being tip of the iceberg and enquiry set up to find out similar cases of encroachments, land restored and the officials responsible for allowing such encroachments be awarded exemplary punishments.

The Committee are of the strong view that since computerization has led to accessibility of records at every level, timelines be fixed for physical verification of lands, disposing off the cases of requests for leasing of land etc. The Committee desire that the Ministry may apprise them about the steps being taken

for streamlining the procedure of transfer of Defence land from MoD to other Government Departments.

[Para-2A]

**Action taken**

(i) Southern Railways, Chennai: The LMA sought equal value of Railway land at the Central Railway Station, Chennai or Egmore Railway Station for the purpose of MCO and Aramgrah in lieu of the defence land measuring 0.7829 acre under occupation of Railway authorities. However the Ministry of Railway vide their letter dated 12.02.2018, intimated that the said lands cannot be spared as the same are proposed for redevelopment of stations and offered land measuring 990.056 Sqm at Meenambakkam Railway Station.

Further, it is submitted that a offer given by Ministry of Railway in lieu of above cited land, was conveyed to the local Military Authorities/Station HQ, who informed that the "Transfer of land measuring 990.056 sq mtr at Meenabakkam Railway Station is not required/not recommended, to be taken as the same is of no use for them". Further, LMA has again requested to transfer of land in Chennai Central/ Egmore/ Cochin/ Coimbatore/Madurai Railway Stations for MCO/Aramgrah, in lieu of defence land, encroached by Railways. DEO Chennai vide letter dated 07.09.2018 and 16.10.2018, has taken up the matter with Senior Divisional Engineer (Coordination) Divisional Office Chennai. The matter is under consideration with Railway Authorities.

(ii) Exchange of Defence Lands with Air Port Authority of India (AAI) : As regards, unauthorized commercial use of 4.73 acres of Defence land valuing D17.23 crore by the Airports Authority of India at Pune since 2007. The subject land transfer is a part of Land Barter Matrix (LBM) between Indian Air Force (IAF) and Airports Authority of India (AAI) which includes mutual land transfer at six places i.e. Pune, Ahmedabad, Gorakhpur, Agra, Trivandrum and Belgaum. The LBM provides for waiving of rentals and mutual transfer of land between IAF and AAI as per requirements of both the organizations. A copy of Land Barter Matrix is enclosed as **Annexure-2**. The said LBM has approved by Hon'ble Raksha Mantri in October 2017 and also approved by Ministry of Civil Aviation (MoCA) in May 2018. Head Quarter, SWAC has been directed to complete Board Proceedings towards transfer of 4.73 acres of land to AAI at Pune.

A Cabinet Note for the proposed 'land barter matrix' between IAF(MoD) and Airport Authority of India (AAI), Ministry of Civil Aviation (MoCA) is yet to be approved

by Cabinet. A copy of the approval of the Cabinet would be furnished as and when received from Ministry of Civil Aviation.

Further, with the computerization of land record and periodic monitoring of encroachments at the DGDE/MoD, the cases of encroachments are reported immediately on detection. DEOs and CEOs have been issued strict instructions to remove encroachments in the earliest possible time. There are certain constraints in removal of encroachments due to disputes on land title, non availability of police, status quo orders issued by Courts or admin stays issued by the Govt. Such cases take long time before the encroachments can be removed. As on 31.12.2018, the encroachment by State/Central Govt. Deptt. are as follows:-

S.No.	State/Union Territory	Area of encroachment (in acres)
1	Andhra Pradesh	21.97
2	Andaman & Nicobar	26.521
3	Assam	460.5397
4	Arunachal Pradesh	87.8141
5	Bihar	478.974
6	Chandigarh	0
7	Chhattisgarh	165.768
8	Delhi	111.3013
9	Goa	4.264
10	Gujarat	164.6238
11	Haryana	538.8215
12	Himachal Pradesh	60.1421
13	Jammu & Kashmir	339.2447
14	Jharkhand	304.932
15	Karnataka	131.7923
16	Kerala	2.6839
17	Lakshadweep	0.08
18	Maharashtra	923.5062
19	Madhya Pradesh	1639.83
20	Manipur	6.1308
21	Meghalaya	11.0855
22	Mizoram	0
23	Nagaland	357.53
24	Odisha	0.11

25	Puducherry	0
26	Punjab	240.68
27	Rajasthan	475.2829
28	Sikkim	0.2903
29	Telangana	146.2478
30	Tamilnadu	101.2418
31	Tripura	1
32	Uttar Pradesh	2204.836
33	Uttarakhand	57.3982
34	West Bengal	558.165
35	Dadra & Nagar Haveli	0
36	Daman & Diu	0
	<b>Total</b>	<b>9622.807</b>

These have been taken up with respective State Governments, on principle of EVL/EVI, both by DGDE & MoD. However, strict monitoring ensures that new encroachments are prevented and if detected the same are removed within a short time.

#### **Vetting Remarks of Audit**

MoD reply is vetted subject with following comments:-

1. The Ministry may apprise the PAC regarding status of land transferred to Local Military Authorities (LMA) by Railway Authorities as well as approval by Cabinet of proposed Land Barter matrix between IAF(MoD) and AAI, Ministry of Civil Aviation(MoCA).
2. The Ministry is silent on PAC recommendation of exemplary punishment to officials responsible for allowing encroachment.
3. Further, status of encroached land (9622.807 acre) restored has not been provided by the Ministry in its reply.
4. The PAC had desired to be intimated of the steps being taken for streamlining the procedure of transfer of Defence land from MoD to other Government Departments. Ministry reply is silent on this aspect. Ministry may therefore apprise PAC of steps taken in this regard.

#### **Reply of the Ministry to the vetting remarks of Audit**

1. The Railways has not offered any land other than 990.056 sqm of land at Meenambakam Railway Station. Hence, there is no change in the status. With regard to proposed Land Barter Matrix between IAF(MoD) and AAI, Ministry of Civil Aviation

(MoCA), it is informed that the Land Barter Matrix is under examination in MoD in consultation with Air Force HQ.

(2&3) Actions for removal of encroachments are taken as per provisions of Cantonment Act, 2006 and PPE Act, 1971 by the field officers. Concrete actions have been taken for early detection and removal of encroachment. Following specific actions including interventions by use of high end technologies have been initiated for management of defence land:-

- i. **Land Management System (LMS):** The Land Management System (LMS) software has been developed by Department of Defence in conjunction with DGDE and Armed forces. The technical support for this GIS-based system has been provided by BISAG, India's premier organization in GIS based informatics. The software, apart from capturing the textual details of all proposals relating to defence land management, integrates these textual details with Raksha Bhoomi software as well as other relevant GIS-layers which include satellite imagery of the area, other amenities etc. The portal is expected to bring in greater speed, transparency and efficiency into the Land Management System (LMS) of the Department.
- ii. **Use of drones and satellite imagery:** Latest survey technology using drone and satellite imagery have been adopted to complete survey of defence land in shortest possible time. Such survey shall help in detection of encroachments.
- iii. **Change detection software:** Change detection software based on thermal imagery is being developed by DGDE under the guidance of BARC. This software is expected to detect encroachment on far flung defence land almost on real time basis.
- iv. **Analysis of open/vacant areas:** A software is being developed under the guidance of BARC to analyse the open/vacant defence land using satellite imagery. This would help in better management of vacant defence land which is otherwise prone to encroachment.
- v. **3D resolution on hilly terrain:** 3D images are being utilized to calculate area of defence land in hilly terrain.
- vi. **Threat Matrix:** Threat matrix based on eleven (11) objective criteria has been developed and implemented to detect vulnerability of defence land and take appropriate steps based on vulnerability assessment.
- vii. **Construction of Boundary walls/ Pillars/ Fencing:** MoD has sanctioned project for construction of boundary wall, fencing and boundary pillars for protection of defence land prone to encroachment. Fund has also been allocated for this purpose.
- viii. **SoPs for real time updation:** Detailed SoP for real time updation of defence land records has been issued to the field offices for efficient management of defence land.
- ix. **Land Audit:** Regular land audit for all defence land is being undertaken by Defence Estate Organization at regular periodicity interalia covering encroachments on

Defence Lands; the extent and reasons thereof and effectiveness of encroachments' removal actions. Defence land audit is a continuing process which commenced on 2011-12. The land audit reports are circulated to the respective Service HQrs for their further necessary action.

A total of 1027.9369 acres of defence land has been freed from encroachment in last 5 years. The state wise details of such land is enclosed as **Annexure 3**.

4. Transfer of defence land to other Government Departments/State Government and its agencies are done as per the provisions contained in Ministry of Defence letters No.11015/02/2012/D(Lands) dated 11.05.2015, 11015/02/2012/D(Lands) dated 02.02.2016 amended vide even number dated 21.10.2020 and 03.03.2022 on the basis of provisioning of Equal Value Land(EVL)/ payment of market value of land/ construction of Equal Value Infrastructure(EVI) by the Indenting Agency, as the case may be. The ibid policy letters are enclosed as Annexures 4A, 4B, 4C and 4D.

In addition to this, Ministry has developed a portal ([survey.ncog.gov.in/NOC\\_Land](http://survey.ncog.gov.in/NOC_Land)) through which the Indenting Agencies submit their application for transfer of defence land for public utility Infrastructure/ projects. All such proposals are now processed through the portal for approval of the Competent Authority. This has expedited the time taken for disposal of such requests received from different Indenting Agencies for defence land proposed to be used for public infrastructure projects. Besides, an online portal by the name Land Management System (LMS) has been developed for monitoring of all such requests for Working Permission. The ibid portal, apart from capturing the textual details of all proposals relating to defence land management, integrates these textual details with relevant GIS-layers which include satellite imagery of the area, other amenities etc.

### 3. Misuse of Defence land

The Committee note that in two cases, as reported by Audit, (i) Defence land on lease since Pre-independence era was not reverted to the DEO on closure of Clubs instead the Local Military Authorities (LMAs) allowed construction of a girls hostel by Army Wives Welfare Association (AWWA) and (ii) Similarly, a shopping complex with CSD Canteen, ATM counter, cloth shop, ice-cream parlour and electrical shop was unauthorisedly allowed to come up on Defence land without MoD's sanction. It was only after being pointed out by the Audit that the Ministry forwarded the proposal of ex-post facto sanction for the Girls Hostel. In the second case where a shopping complex was constructed without reclassification of the land from B-3 to A-1 in gross violation of MoD's instructions. The Committee are surprised to note the tall claims of the Ministry as well as the



DGDE about computerization of the land records, land surveys being conducted, regular monitoring of land under their occupation and regular updation of the same in their records and express their serious concern about the functioning of DGDE. The Committee are of the considered view that the Ministry as well as the DGDE should revisit the conditions regarding leases granted in perpetuity as reclassification of B-3 to A-1 Defence lands are only processed on the annulment of such leases. The Committee further desire that the Defence Shopping (Maintenance and Administration) Rules, 2006 be amended for regularizing sanctions to shopping complexes in Cantonment areas to ensure that revenue/rent earned from such establishments is directly deposited in Government account. The PAC (2013-14) in their 89<sup>th</sup> Report (15<sup>th</sup> Lok Sabha) had also observed that mis-use of Defence land engaged in commercial activities and the subsequent non-crediting of income from these lands/properties into Government account. The Committee feel that the earlier observation and recommendation regarding the issue in question has fallen on deaf ears and therefore strongly reiterate their earlier recommendation that complete details of lessees and revenue generated from all Defence lands/properties by the LMAs be obtained and appropriate action be taken to ensure that all revenue are deposited in Government accounts. The Committee desire that computerization of defence land records be completed within a timeline and misuse of its land prevented through land surveys, regular monitoring and updation of the records. The committee are of the view that DGDE has failed to perform as per the mandate and desire that the organization may be thoroughly revamped after a high level review.

[Case-3]

#### Action taken

(i) **Girls Hostel by Army wives Welfare Association (AWWA) in Pune.**

Construction of Girls Hostel Pune has been regularized by issuing ex-post-facto sanction dated 19.12.2016 for construction of the girls hostel.

A copy of the sanction dated 19.12.2016 is enclosed as **Annexure-5**. The Girls Hostel Kirkee at Pune is being run on 'No profit no loss' basis.

(ii) **Running of Shopping Complex**

Govt. sanction for annulment of lease and reclassification of land from B-3 to A-1 in respect of Bungalow No.34, Survey No.329, Kahun Road, Pune Cantt. has been issued

vide letter dated 05.07.2017. A copy of the said letter dated 05.07.2017 is enclosed as **Annexure-6.**

Further, the computerization of land records has been done and records have been updated, for doing this the following initiatives have been taken in this regard:

a) **Computerization of Defence land records- Raksha Bhoomi Software:-**

(i) Defence Estates Organization under the Directorate General defence Estates (DGDE) maintains two types of important land registers. One register is for lands within Cantonment and the other register is for lands outside Cantonments. The former register is called General Lands Register (GLR) and the latter register is called Military Lands Register (MLR). Both the registers record, survey number-wise, the ownership of land, its area, who occupies it, any transfer/sale transaction and other summary details. Both the registers are maintained in every DEO Circle. GLR is maintained in every Cantonment Board Office also for land placed under the management of Cantonment Boards. There are 62 Cantonment Board Offices and 37 DEO Circles. The extent of total recorded defence land in the country is about 17.57 lakh acres.

(ii) Raksha Bhoomi software was envisaged, to store electronically the information in both these registers in respect of all the Defence Estates Offices and Cantonment Boards. The features of Raksha Bhoomi are such that land data from various offices can be consolidated at one place.

(iii) The data entry, verification and authentication of defence land records in Raksha Bhoomi Software has been completed in respect of all Cantonment Boards and Defence Estates Offices.

(iv) Raksha Bhoomi is being constantly upgraded with a view to provide updated data to the users and additional information required for better land management.

(v) The software, after its development and launch in 2011, has undergone further changes and up gradation. A stable version 5.0 has been released in a secured network in 2015, where the data can be updated by authorized users on 24x7 basis. The online version of RB 5.0 has been hosted on NIC server connected through secured Network of DGDE called DGDE MPLS-VPN which is a part of NICNET. The Raksha Bhoomi data is not shared with public due to security reasons. However, the data is shared annually with the Services. Another version called 'Distributed Raksha Bhoomi' has been released in 2017 which enables the field officers to access Land

record data on their local server for viewing and printing reports even if the network is inaccessible or broken down due to any reasons.

b) **Digitization of Files and Documents for Protection and Preservation of Land Records**

DGDE has also undertaken an exercise of strengthening their record rooms, indexing of all files and scanning and digitization of important files, maps and documents since the management of defence land necessarily warrant proper maintenance of land records and the maintenance of land records, its preservation and safety standards were suffering due to high volume, lack of adequate storage space, lack of the fire safety measures and the problem related to ageing of documents, etc. in all the 99 field offices i.e. 62 Cantonment Boards and 37 Defence Estates Offices in the country. All these issues were addressed by way of application of the modern technology for preservation and protection of documents.

The details of files scanned and converted into PDF format (digitized form) are given below:-

Office	Phase-I		Phase-II	
	Selected	Scanned	Selected	Scanned
DEOs	79468	79468	53757	36951
Cantonment Boards	242496	242496	51860	49141
Total	321964	321964	105617	86092
Total scanned (Phase-I+ Phase-II)- 408056				

Phase II of the digitization process was started based on guidelines issued by the DGDE for identifying and taking up all important documents for indexing and digitization. The process is now a continuing process. Besides, digitized data is sent by the DEOs and Cantonment Boards in Hard Discs or M-Discs to the Archival Unit & Resource Centre (AU&RC) of DGDE as back up record which can be accessed even on Local Area Network. This has enabled the field offices to maintain back up files which are readily accessible. A computer application also facilitates immediate location of files in the record rooms which saves precious time.

As regards misuse of defence land and non-crediting of income from these lands, properties into Govt. account, the LMAs have been directed from time to time to stop such unauthorized use.

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## Vetting Remarks of Audit

MoD reply is vetted subject with following comments:-

1. The Ministry has not provided specific reply to PAC observation regarding complete details of lessees and revenue generated from all Defence lands/ properties by the LMAs and revenue deposited in Government Accounts.
2. PAC had desired that the Defence Shopping (Maintenance & Administration) Rules 2006 be amended for regularizing sanctions to shopping complex in Cantonment areas to ensure that revenue/rent earned from such establishments is directly deposited in Government Account. Ministry reply is silent on this issue.
3. The PAC had desired that since DGDE had failed to perform as per mandate, the organization may be thoroughly revamped after a high level review. The Ministry in reply has not specifically elaborated on this issue.

## Reply of the Ministry to the vetting remarks of Audit

1. AHQ has informed that there are no commercial shopping complexes in territorial jurisdiction of Army. Certain shops/locations are however used for Banks/ATMs where entire revenue is credited to CFI. The data for financial years 2015-16, 2016-17, 2017-18 furnished by AHQ, Air HQ and NHQ is at **Annexures 7A, 7B and 7C** respectively.
2. Shopping complexes on defence land where civilians are permitted to shop are governed by MoD Policy letter dated 04.01.2001 and Defence Shopping Complexes (Maintenance and Administration) Rules, 2006. As per source of creation of these shopping complexes 50% or 100% of net revenue generated is credited to CFI.

However, the Defence Shopping Complexes (Maintenance and Administration) Rules, 2006 does not apply to Regimental shops which are created exclusively for military personnel and their families. As per MoD ID No. A/55780/AG/PS 3(a)/325-S/D(Q&C), dated 28.07.1976, rebate from Regimental shops are to be credited into regimental fund. These Regimental shops are unit shops and shopping centre (as per scales of Accommodation, 2009) and are not commercial shopping complexes created from non-public fund that enjoy considerable patronage from public.

Net revenue generated (rebate) and rent and allied charges for both Regimental Shops and Commercial Shopping Complexes are being deposited as per provisions of respective policy.

3. Following new Initiatives on management of Defence Land have been taken by the Defence Estates Organization:

- i. **Land Management System (LMS):** The Land Management System (LMS) software has been developed by Department of Defence in conjunction with DGDE and Armed forces. The technical support for this GIS-based system has been provided by BISAG, India's premier organization in GIS based informatics. The software, apart from capturing the textual details of all proposals relating to defence land management, integrates these textual details with Raksha Bhoomi software as well as other relevant GIS-layers which include satellite imagery of the area, other amenities etc. The portal is expected to bring in greater speed, transparency and efficiency into the Land Management System (LMS) of the Department.
- ii. **Use of drones and satellite imagery:** Latest survey technology using drone and satellite imagery have been adopted to complete survey of defence land in shortest possible time. Such survey shall help in detection of encroachments.
- iii. **Change detection software:** Change detection software based on thermal imagery is being developed by DGDE under the guidance of BARC. This software is expected to detect encroachment on far flung defence land almost on real time basis.
- iv. **Analysis of open/vacant areas:** A software is being developed under the guidance of BARC to analyse the open/vacant defence land using satellite imagery. This would help in better management of vacant defence land which is otherwise prone to encroachment.
- v. **3D resolution on hilly terrain:** 3D images are being utilized to calculate area of defence land in hilly terrain.
- vi. **Threat Matrix:** Threat matrix based on eleven (11) objective criteria has been developed and implemented to detect vulnerability of defence land and take appropriate steps based on vulnerability assessment.
- vii. **Construction of Boundary walls/ Pillars/ Fencing:** MoD has sanctioned project for construction of boundary wall, fencing and boundary pillars for protection of defence land prone to encroachment. Fund has also been allocated for this purpose.
- viii. **SoPs for real time updation:** Detailed SoP for real time updation of defence land records has been issued to the field offices for efficient management of defence land.
- ix. **Land Audit:** Regular land audit for all defence land is being undertaken at regular periodicity interalia covering encroachments on Defence Lands; the extent and reasons thereof and effectiveness of encroachments' removal actions. Defence land audit is a continuing process which commenced on 2011-12. The land audit reports are circulated to the respective Service HQrs for their further necessary action. Total 1027.9369 acres of defence land has been freed from encroachment in last 5 years. The state wise details of such land is enclosed as **Annexure-3**.

4. Cadre Review of the IDES cadre is under consideration in which the jurisdiction of existing circles have been rationalized by proposing creation of additional 12 DEO circles. Similarly, the jurisdictions of Regional offices have been rationalized and 02 new Directorates have been proposed. The above will help in maintaining and supervising the field offices in more efficient and meaningful manner.

#### 4. Shortfall of 103.026 acres of land transferred from State Government.

The Committee observe that the transfer of land sanctioned by the Ministry was without joint measurement/demarcation to verify the actual availability of land in Arunachal Pradesh in violation of the laid down procedure as accepted by DEO. As per the procedure laid down in Annexure 'B' and 'D', chapter 29 of the Cantonment Laws Vol. II, the DEO is required to collect the site plan of the selected land from the users along with details of Khasra numbers showing the area. The DEO is also required to inspect the land jointly with the local revenue staff to ensure accuracy and correctness of the land before submitting the proposal for obtaining Government sanction. Audit highlighted that a handing over/taking over report was signed jointly in June, 2010 by the representative of the State Government, the DEO and the Army without any physical verification/survey/ map/ demarcation of land. The DEO Jorhat made full and final payment of Rs.93.46 Lakh for the entire land of 230.93 acres in May 2010. During joint verification of the land by the FRO Jorhat and Dy. Commissioner Tirap in April, 2011 it was found that the land transferred to the Army was 127.904 acres only instead of 230.93 acres. Lapse on the part of the DEO resulted in excess payment of D41.69 lakh for 103.026 acres of land which was not handed over. The DC, Tirap-Arunachal Pradesh had in-principle agreed for refund of transfer value of 103.026 acres of land and forwarded the proposal to Government of Arunachal Pradesh. However, Army insisted for land instead of refund amount and was ready to acquire any other suitable land in that vicinity as they were land deficient in that particular area. The State Government decided to refund D33,92,438 since it did not have any surplus land. However, the said amount has still not been refunded to MoD. The Committee are shocked to note that flouting of established procedures in collecting the site plan, conducting joint survey to ensure accuracy and correct measurement of land before submitting the proposal for obtaining Government sanction by the Defence Estate Officer and accordingly, sanction by the Defence Headquarters in the absence of above documents resulting in loss to the exchequer. The Committee desire to be apprised of the exemplary disciplinary action taken against the officials concerned within six months to pursue the issue vigorously and ensure that the refund of money and settle the issue at the earliest.

[Para 4]

### **Action taken**

The matter regarding recovery/ adjustment of excess amount in acquisition of land in future/ transfer of land for MoD by State Government has been taken up with State Government of Arunachal Pradesh on various occasions. A meeting was held on 20.04.2017 at Itanagar under the Chairmanship of the Hon'ble Chief Minister of Arunachal Pradesh, wherein it was decided that excess cost paid to the State Government towards transfer of land measuring 230.93 acres will be adjusted by the State Government against the cost of land in other acquisition cases. The issue was again highlighted by Hon'ble Raksha Rajya Mantri in the meeting held on 30.05.2017 at New Delhi for expeditious resolution of the issue.

There would be no loss to the State Exchequer as the State Government has accepted the fact of handing over of deficit land and agreed to adjust excess cost.

With regard to fixing of responsibility for the gross violation of laid down procedures and loss to the exchequer, it is intimated that the issue has been examined in consultation with DGDE and Army. Army Headquarters also convened a Board of Officers to investigate transfer of deficient land and observed that error in taking over deficient land is attributed to inadequacy of land records held by the State Revenue Authorities. Since Arunachal Pradesh is a non Cadastral State, there was no malafide intent on the part of Board of Officers during the process of handing over/ taking over. As a step towards rectification, since 2011-12, the Directorate General of Defence Estates Organization (DGDE) has undertaken survey of all defence land by using electronic survey equipments. All land in non-Cadastral States in Eastern Command are being surveyed at the time of Board Proceedings as well as at the time of handing/ taking over of land and in future no such scope for reoccurrence of such cases is there.

### **Vetting Remarks of Audit**

MoD reply is vetted subject with following comments :-

The Ministry may intimate PAC regarding final status of adjustment of excess cost paid to State Government of Arunachal Pradesh by Army as agreed to by the State Government to be adjusted against the cost of land in other acquisition cases.

### **Reply of the Ministry to the vetting remarks of Audit**

-41-

The matter has been taken up with Chief Secretary of Arunachal Pradesh/ DC Tirap respectively, to issue necessary direction to the concerned departments to refund/adjust the amount of Rs. 41,69,462/- paid in excess for shortfall of land. The response is awaited from State Government of Arunachal Pradesh.

## 5. Conclusion

Even though serious lapses and irregularities in management of Defence land were repeatedly pointed out by the C&AG in 2007-08, 2008-09 and twice in 2010-11, no effort was made by MoD or the DGDE to streamline the same. The Committee observed that the same irregularities persisted as the ex-lessees continued to occupy prime Defence land unauthorisedly even after expiry of leases; the DEOs also failed to take advance action for renewal/termination of leases in utter disregard of the guidelines resulting in outstanding rentals of approximately Rs. 838.34 crores for as long as periods ranging from four to 46 years in respect of 8 cases pointed out by Audit; encroachment by other Government Departments and misuse of Defence land by the Local Military Authorities for unauthorized purposes such as running of hostels, shopping complexes etc. constructed from non-public funds continued unabated despite existence of clear cut guidelines of the Ministry. The Committee are of the considered view that since land is precious and a limited resource, serious efforts are required for its protection and judicious use by the administrative Ministry i.e. MoD and the policy implementing wing i.e. DGDE. The Committee view it as a serious lapse on the part of MoD as repeated cases have been highlighted by the Audit, continuing unabatedly for many years. The Committee desire that strict action be taken against officials responsible for non-renewal of leases, failing to prevent encroachment, encouraging the use of Defence land for commercial purposes, failing in the basic law of correct and accurate demarcation/measurement of land while acquiring the same before its final payment etc. The Committee also desire that a comprehensive survey of all the Defence land be made once in 10 years to ascertain the actual status. The Committee find that many cases involving Defence land are pending in courts. The Committee are dismayed to note that a PSU filing case against a Ministry of Government of India in the court presents a very sad picture. The court are already overburdened and therefore the Committee desire that all cases between the wings of Government of India or those under its aegis be taken to a special tribunal to be constituted for the purpose to enable fast track decision and reduction in revenue losses due to long pending court cases.



Further, the Committee note that the MoD, since 2014 is in process of finalizing process for leasing of land for sports and recreational purposes due to which it has not renewed the lease of RCTC, Kolkata from 2007 whose dues are as huge as Rs. 814 crores. The Committee exhort the MoD to finalise the policy within three months. Also, the lease policy giving a revised structure for lease rent and premium forwarded to MoPNG for their views thereof may be followed up and finalized urgently.

[Case-5]

#### Action taken

The arrears in respect of RCTC Kolkata amounting to Rs.814 crore is based on the presumptuous calculation of lease rent suggested by DEO Kolkata. Prior to 01.01.2007, the lease rent was much lower. Since the rates proposed by DEO Kolkata were not in tune with the earlier rent structure and also differed from lease rent of other similar Clubs, it was decided to have a uniform policy for all such clubs. Rent recovery will be made on finalization of the policy.

The points relating to the policy on leases given to "Recreational and sports clubs" is under finalization in DGDE. The due rent with arrears can be recovered on finalization of relevant policy. As regard to renewal of leases for petrol pumps etc., lease period in r/o leases of Oil Companies for setting up retail outlets was extended upto 30.09.2019 and rentals/premium arrears to the tune of ₹ 4,48,51,360/- have been recovered, so far. The policy on lease to Oil companies is under consideration of MoD.

As regards survey of land, the same has been surveyed during the first phase and in the second phase, State revenue authorities have been asked to authenticate the survey reports or do the re-demarcation with DEOs wherever required. The process is on at the DEOs level, and is a continuing exercise.

Further, the maps of defence land pockets generated in the recently carried out land surveys (2012-13 to 2016-17) are being integrated with satellite maps of National Remote Sensing Centre under ISRO (NRSC) i.e. BHUVAN for assigning geo-coordinates. These will be integrated with Raksha Bhoomi 5.0 database (land records system).

For this purpose, the technical staff of DEOs and Programmers of Cantonment Boards have been trained by the officers of the NRSC in using BHUVAN application. The process of integration of land survey maps with BHUVAN coordinates has been started and is expected to be completed within one year. After the geo coordinates are

assigned to each survey map, the same will be integrated with the Raksha Bhoomi land record system.

The progress of the survey work is as under:-

Project activities	Progress
Procurement of survey Equipment	(i) ETS were procured and provided to all DEO/ADEO Circles/ offices. These were used by technical staff in land survey.  (ii) Recently, DGPS Systems have also been procured and provided to all DEOs.
Training of Technical Staff	297 Technical Officials have been trained in ETS through 15 training courses that have been conducted so far. Training has also been given to technical staff in DGPS.
Survey work	About 98.62% and 100% survey work has been completed in DEOs and Cantonment Boards respectively. It has been decided that henceforth, survey of land will be a continuing process and 1/3 <sup>rd</sup> of defence land is to be resurveyed every year, so as to complete the resurvey, after every 3 years cycle. This has lead to effective monitoring utilization, as well as prevention & removal of encroachments/misuse of defence lands.

#### Vetting remarks of Audit

MoD reply is vetted subject with following comments :-

1. Ministry is silent on the PAC recommendation that "all cases between the wings of Government of India or those under its aegis be taken to a special tribunal to be constituted for the purpose to enable fast track decision and reduction in revenue losses due to long pending court cases".
2. MoD may intimate PAC regarding the recovery of rent with arrears on finalization of Recreational and Sports clubs policy.

### Reply of the Ministry to the vetting remarks of Audit

1. Government of India, Ministry of Law & Justice, Department of Legal Affairs vide its OM No. 334774/DoLA/AMRD/2019 dated 31.03.2020 have issued instructions to Ministries / Departments of the Government of India, in the past, to avoid inter-departmental litigations in any Court of law, including by all CPSEs / Boards / Authorities, etc., under their Administrative control and to resolve the same amicably or through Arbitration as per the procedure contained in the ibid OM dated 31.03.2020.
2. Noted for compliance.

CHAPTER III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT  
DESIRE TO PURSUE IN VIEW OF THE REPLIES RECEIVED FROM THE  
GOVERNMENT

-NIL-

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF  
GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH  
REQUIRE REITERATION

-NIL-

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH GOVERNMENT  
HAVE FURNISHED INTERIM REPLIES

-NIL-

NEW DELHI;  
09<sup>th</sup> August, 2023  
18 Shravan, 1945(*Saka*)

ADHIR RANJAN CHOWDHURY  
Chairperson,  
Public Accounts Committee



Ministry of Defence  
D(Lands)


**Subject:-** Extension of expired / expiring Cantonments Code leases or 1899 & 1912 and CLAR 1925 & 1937 – regarding.

Please find enclosed herewith a copy of Lok Sabha Secretariat (PAC Branch) O.M. No. 22/(i)/2/1/2018-19/PAC dated 19.07.2018 forwarding therewith a cyclostyled copy of the One Hundred and Sixth Report (16<sup>th</sup> Lok Sabha), of the Public Accounts Committee (2018-19) on 'Improper Management of Defence Lands'.

2. In the aforesaid report, with respect to the renewal of lease the committee has desired the Ministry to issue instructions to the DEOs that the process of renewal of lease be started one year before the date of expiry of every lease.

3. In view of the above, it is requested to ensure that the process of renewal of lease be started one year before the date of expiry of every lease.

Encl. As above

  
(Ashok Kumar)  
OSD, D(Lands)

Addl. DG (Lands), DGDE

MoD ID No.11013/2/2016/D(Lands)

dated 23.09.2019

O/C

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LAND BARTER MATRIX BETWEEN IAF & AAI

Sl No.	Place	AAI land to be transferred to IAF	IAF land to be transferred to AAI	Remarks
1	Pune		2.86	Land in occupation of AAI since 1994
			6.78	Land leased to AAI in 2007 in lieu of 9.07 acres leased to IAF in Trivandrum in 1985
			4.73	Land leased to AAI in 2009
			15.84	Land requested by AAI in 2016. BOO completed.
			0.74	Additional land requested by AAI in 2017.
2	Trivandrum	9.07		Land leased to IAF in 1985
		0.85		Land leased to IAF in 2010
		0.045		Land under occupation of IAF 2010
		8.31		Land agreed to be transferred to IAF in Feb 17
3	Ahmedabad	4.83		Land agreed to be transferred to IAF
4	Gorakhpur		1.10	Land requested by AAI in 2016. BOO completed.
5	Agra		1.00	Land requested by AAI in 2016.
6.	Belgaum	15	15	Land requested by AAI in 2016. AAI to provide 15 acres of contiguous land to IAF.
Total		48.105	48.05	

Total encroachment removed during the last  
05 years

S.No.	State	Area (in acres)
1	Andhra Pradesh	0.0037
2	Bihar	6.0323
3	Chandigarh	0.0258
4	Chattisgarh	0.0560
5	Goa	1.4400
6	Gujarat	1.3786
7	Haryana	236.4041
8	Himachal Pradesh	67.5645
9	J&K	2.1373
10	Jharkhand	0.0200
11	Karnataka	0.0830
12	Kerala & Lakshadweep	0.0380
13	Maharashtra	36.1883
14	Madhya Pradesh	43.0591
15	Manipur	0.0131
16	Meghalaya	0.3471
17	Punjab	93.6641
18	Rajasthan	2.8162
19	Telangana	2.7600
20	Tamilnadu	49.5206
21	U.P.	435.3721
22	Uttarakhand	14.0346
23	West Bengal	34.9784
		1027.9369

No. 11015/2/2012/D(Lands)  
Government of India  
Ministry of Defence

New Delhi  
Dated 11<sup>th</sup> March, 2015

To

- i) All Secretaries of the Ministries/Departments  
(As per list attached)
- ii) All Chief Secretaries of the States & UTs  
(As per list attached)

Sub: Procedure for Transfer of Defence land for Public utilities and Public infrastructure projects.

Sir,

The Ministry of Defence has been receiving requests for Defence land from Central Government departments, State Governments and organisations controlled by it as also local bodies, for execution of projects related to creation/up-gradation of public infrastructure/utilities. Keeping in view the operational requirement of our Armed Forces no defence land is normally permitted to be transferred for non-defence use. However, as an exception to this policy, requests for Defence land received from Central Government departments, State Governments and organisations controlled by it as also local bodies, for execution of projects related to creation/up-gradation of public infrastructure/utilities are considered on the merits of each case. Such transfers are normally considered on the basis of exchange of equal value land to be provided by the Indenting Authority. However, where the Indenting Authority is neither a land owning authority nor does it have an arrangement with the State/ UT governments for providing land for the project and is therefore unable to provide equal value land, transfer is considered on payment of current market value. Land is also given on lease/license with premium and rent being fixed on the basis of nature of the project.

2. Some Central Government departments and State Governments have raised the issue of delays in transfer of Defence land/grant of working permission which is adversely affecting their projects. In this connection it has been noted that many of the projects for which Defence land was being sought had been undertaken without prior consultation with the Ministry of Defence. Subsequently, Local Military authorities report security or functional constraints in providing land which takes time to resolve. In addition, it has been noted that requests for Defence land is

invariably made to the Local Military Authorities /DE Officials without any intimation to MoD. As such the Ministry becomes aware of such requests only after considerable delay has occurred in processing the cases at the local level.

3. The procedure for processing requests for providing defence land for Public utilities and Public infrastructure has therefore been reviewed. All Central Government Departments/State Governments and Organisations under their control as also local bodies will now be required to follow the following procedure for indenting for defence land required for projects related to creation/up-gradation of public infrastructure/utilities such as roads, flyovers and road over bridges; airports, railway lines and metro rail projects; petroleum, gas, water, telecommunications infrastructure except Mobile Towers, electricity and sewerage pipe-lines, etc.

(a) All Indenting Authorities (IAs) seeking transfer of Defence land for public infrastructure/utilities will carry out prior consultation with the Ministry of Defence through their administrative ministries/ respective State Governments. The IAs will submit proposals containing information as mentioned in the format annexed to the Ministry of Defence at the preliminary/planning stage for 'in principle' approval with a copy to concerned Land Managing Authority (viz Army, Navy, Air Force, DGDE etc). Once approved 'in principle' a detailed proposal will have to be sent again for final approval for working permission or transfer of land, as the case may be.

(b) All proposals for transfer of defence land for public infrastructure/utilities whether at the in-principle approval stage or at the final approval stage, will be sent by the indenting Central Ministry /Department / State Government to the concerned Joint Secretary in the Ministry of Defence i.e. the Joint Secretary dealing with the land managing agency concerned. When the project is to be executed by a PSU, Autonomous Body of the Central Government or State Government, local bodies and PPP concessionaire, the proposal will be routed through the concerned administrative Central Ministry/Department or the State Government.

(c) At the 'in principle' approval stage, Ministry of Defence will examine in consultation with the user Service/Department/Organisation and DG DE, if the proposed transfer of land will have any adverse security implication and if the land is required for any sensitive purpose or essential function or it can be spared. In case, the transfer of defence land in question has adverse security implications or the land is being

used/planned to be used for a sensitive purpose or an essential function and the installations located thereon cannot be shifted for security or functional reasons, the Indenting Authority will be advised to change the location/alignment of the public infrastructure/utility for which the land is required. Likewise, the IA will also explore viable alternatives which would obviate the need for defence land. The IA will also specify if it or the concerned Government is willing/able to fully or partly provide equal value land in exchange and if so the possible locations. If after this exercise it is found that land has to be provided, 'in principle' approval will be given by this Ministry so that the Indenting Authority can finalise the project proposal and send a formal request for working permission or transfer of land, as the case may be.

(d) MOD shall accord or deny 'in principle' approval within 03 months of receipt of the preliminary proposal from the Indenting Authority, after the case has been presented by both the Indenting Authority and the user Service/Department/Organization of MOD under whose occupation/management the land is placed. 'In principle' approval shall specify the mode of transfer of defence land.

(e) After issue of 'in principle' approval, the indenting agency would send a firm proposal for working permission or transfer of land, as the case may be, within 6 months of the grant of 'in-principle' approval to the indenting Central Ministry /Department / State Government to the concerned Joint Secretary in the Ministry of Defence i.e. the Joint Secretary dealing with the land managing agency concerned with a copy to concerned Land Managing Authority (viz Army, Navy, Air Force, DGDE etc) for further processing the case failing which the approval would be deemed to have been cancelled. MOD shall accord working permission/final approval expeditiously but not later than 08 months of receipt of the formal proposal from the Indenting Authority, after issue of 'in principle' approval.

4. All proposals received prior to the issue of this letter or are in process with MoD or LMA will be processed expeditiously preferably within a period of 8 months in accordance with the existing policy on transfer of defence land if there are no security and functional constraints, without requirement of "in principle" approval.

5. Attention is also invited to the following with respect to the general policy with regard to transfer of Defence land:

i) Defence land is generally not declared surplus and is normally transferred only for public infrastructure/utility projects on the basis of exchange of equal value land and the merits of each case. However, in the case of linear projects where the Indenting Authority is neither a land owning authority nor does it have an arrangement with the State/ UT governments for providing land for the project and is therefore unable to provide equal value land transfer is considered on payment of current market value of the land and the assets existing thereon.

ii) Land may be transferred for Public infrastructure/utility projects by the Ministry after satisfying itself that it can be alienated without compromising the essential functions of the user service or by making suitable alternative provisions to enable the user agency to carry on with its essential functions smoothly.

iii) Land will be considered for transfer only for projects being implemented by Central Government Departments, State Governments and Organisations under their control as also by Local bodies. In the case of PPP projects transfer of Defence land will be considered only where the ownership of the land will remain with the Government.

iv) The mode and terms of transfer of land for such projects would depend, essentially, upon the nature of the project, purpose being served, rights sought in the land proposed for transfer, time frame of the requirement i.e. permanent, long term or short term.

v) For all cases in which defence land is proposed to be transferred or alienated formal approval of the Cabinet will be sought.

Yours faithfully,



(Vijay Agrawal)

Director

T.No. 011-23013173

## Format of Application for transfer of land

1.	Name of the organization and address			
2.	Status of organization (a) Central Government (b) Central Government Undertaking / Enterprise (c) Autonomous body of Central Government (d) State Government (e) State Government Undertaking / Enterprise (f) Autonomous body of State Government (g) Private institution / body (h) Any other to be indicated			
3.	Extent of land required for transfer (a) Area in acre / hectare (b) Survey number (c) Name of village / taluka / district (d) Sketch / site plan with boundaries			
4.	Purpose for which the land is required and its importance from National / Regional perspective.			
5.	Details of the public infrastructure/utility project for which land is required.			
6.	Timelines for completion of the public infrastructure/utility project and the indicative date for transfer of land to indenting authority.			
7.	Efforts made to obtain the land from alternative sources such as State Government / private parties.			
8.	Undertaking to provide equal value land suitable to Services by the Indenting Authority or; Undertaking that Indenting Authority is neither a land owning authority nor does it have an arrangement with the State/ UT governments for providing land for the project and is therefore unable to provide equal value land.			

9.	Undertaking to pay market value fixed by Ministry of Defence and right of MoD to reclaim / resume ownership of the land on payment of suitable compensation.	
10.	Recommendations of the competent authority of Ministry / Department of Central / State Government	



No. 11015/2/2012/D(Lands)  
Government of India  
Ministry of Defence

New Delhi  
Dated 2<sup>nd</sup> February, 2015

To

1. The Chief of Army
2. The Chief of Air Staff
3. The Chief of Naval Staff
4. The Director General Defence Estates
5. The Chairman, Ordnance Factory Board, Kolkata
6. DG QA, New Delhi
7. DRDO New Delhi

Sub: Transfer of Defence land for Public utilities and Public infrastructure projects.

Sir,

The Ministry of Defence has been receiving requests for transfer of Defence land from Central Government Departments, State Governments and Organisations controlled by it as also local bodies, for execution of projects related to creation/up-gradation of Public infrastructure/utilities. Such requests have hitherto been processed in terms of MoD ID No. 11015/2/86/D(Land) dated 11.07.1986 and on the merits of each case. As a result of absence of any clearly laid down and comprehensive policy prescribing terms and conditions and procedures for processing such requests there have been delays and lack of uniformity in handling such requests. Several Ministries of the Government as also State Governments, have therefore, questioned the policy of the Ministry for providing Defence land and the time taken in arriving at a decision. The policy and procedure for providing defence land for Public utilities and Public infrastructure projects has therefore been reviewed in consultation with all stake holders in the Ministry. Following the review a Procedure for Transfer of Defence land for Public utilities and Public infrastructure projects was finalised and was circulated vide this Ministry's letter of even number, dated 11.03.2015, to all Secretaries of the Ministries/Departments and all Chief Secretaries of the States & UTs. A copy of the same has also been circulated to Services and other Defence Organizations vide this Ministry's ID Note of even number dated 16.03.2015.

2. In order to complete the process of formulating a comprehensive policy on the subject of "Transfer of Defence land for Public utilities and Public infrastructure projects" it has been decided to additionally prescribe terms and conditions for different modes of Transfer of Defence Land and internal procedures for processing requests for transfer of Defence land from Central Government Departments, State Governments and Organisations controlled by it as also local bodies, for execution of projects related to creation/up-gradation of Public infrastructure/utilities. These are given in the following paragraphs.

3. General Aspects:

Keeping in view the operational requirement of Armed Forces no Defence land is normally permitted to be transferred for non-Defence use.

As an exception to this policy requests for Defence land received from Central Government departments, state Governments and organisations controlled by it as also

local bodies for execution of projects related to creation/upgradation of public infrastructure/utilities are considered on the merits of each case.

- c. Land may be transferred for Public infrastructure/utility projects such as Roads, Flyovers and Road Over Bridges, Airports, Railway lines, Metro rail projects, Petroleum, Gas, water, electricity and sewerage pipe lines etc. by the Ministry after satisfying itself that it can be alienated without compromising the essential functions of the user service or by making suitable alternative provisions to enable the user agency to carry on with its essential functions smoothly.
- d. Land will be considered for transfer only for projects being implemented, by Central Government Departments, State Governments and organizations under their control as also by Local bodies. In the case of PPP projects transfer of Defence land will be considered only where the ownership of land will remain with the Government.
- e. Transfer of Defence land is normally on the basis of exchange of equal value land to be provided by indenting authority. If, however, IA is neither a land owning agency or does not have an arrangement with State /UT Governments for providing land for the project transfer is considered on payment of current market value of land.
- f. Land is also given on lease/license with premium and rent being fixed on the basis of nature of project.
- g. The mode and terms of transfer of land for such projects would depend, essentially, upon the nature of the project, purpose being served, rights sought in the land proposed for transfer, time frame of the requirement i.e. permanent, long term or short term.
- h. MoD shall retain the right to resume/reclaim ownership of the land transferred if the land is kept vacant or not used till a period of 5 years for the purpose for which it was transferred on refund of compensations originally received from the indenting agency in case of non utilisation of land. However compensation will not be refunded if land is utilised for other than the stated purpose without the prior approval of MoD.

4. Procedure and time lines for dealing with requests for transfer/alienation of defence land for Public Utilities and Public Infrastructure projects will be as specified vide letter no 11015/2/2012/D(Lands) dated 11.3.2015, communicated to Service Hqrs and other Defence Organisations vide ID Note of even number dated 16.3.2015.

#### 5. Terms and Conditions for different modes of Transfer of Defence Land.

A. Permanent Transfer of Land: When land is required to be transferred permanently this would be done on the basis of the following principles:

- a) Permanent transfer of land should be done on the basis of exchange of equal value land to be provided by the Indenting Authority. However, for linear projects where the Indenting Authority is neither a land owning authority nor does it have an arrangement with the State/ UT governments for providing land for the project and is therefore unable to provide equal value land partly or fully in exchange, transfer may be considered on (balance/full) payment of current market value. Market value of land will be fixed by DGDE in all cases based on STR or circle/ guideline rates of the State Government Inter-Departmental rates of land transfer will be used only where a Project authority has been specifically allowed by the Cabinet to obtain land on this basis from other Government entities.  
Cash compensation in lieu of land will only be applicable where the indenting Authority is a Department/Ministry of the Central Government, State /UT Government and organisations fully owned and controlled by it as also local bodies.

- c) As regards permanent assets and services located on defence land proposed to be transferred or effected by the transfer in any manner, the present cost of construction/reconstruction/shifting/relocation of the such assets and services as assessed by the MES/ CPWD/ DRDO or any other Public Works Organization would be deposited by the Indenting Authority with the Public Works Organization selected for the purpose by LMA/ MOD, before the land is handed over by the User Service/DEO to the Indenting Authority. The Public Works Organization will carry out the work of construction of such assets as a deposit work on alternative land, as per approval obtained from the competent authority by the User Service/Department/Organization. However, in the case of critical assets such as security wall etc. Indenting Authority should be asked to carry out the work of construction of these assets prior to demolition/removal of existing assets.
- d) Defence land transferred permanently for a public project will be the minimum land operationally required for the project and will not be used for any other purpose or sub-allotted/ alienated to any other entity without the approval of the Ministry of Defence.

B: Transfer of Land on Lease: When the land is neither required permanently nor its ownership rights are required to be transferred, it may be transferred on lease hold basis, as per the requirement, on payment of an annual rent and one time premium. Rent and premium would be charged by adhering to the following general principles-

- a) For public projects being implemented by the Central or State Government or by organisations/bodies owned or fully controlled by it and by local bodies with Government funding, rent will be calculated at normal rates i.e. 2.5% of value of land computed on the basis of STR, in case of Defence land situated within the limits of Cantonment. For Defence land located outside the Cantonment, rent will be calculated @ 2.5 % of value based on Circle/guidelines rates notified by the State Government. If this is not available, value of land will be calculated by taking average sales statistics of the past three years. No premium shall be charged for grant of lease in the above cases. These concessional terms will only be available if such projects are providing services to the Public or to Defence organisations free of cost or at concessional rates. These terms will also be applied where surface rights on the land being leased remains with the MoD as in the case of Under Ground sections of Metro projects, Petroleum and Gas main pipelines, etc.
- b) For public projects executed by joint ventures between government and private entities and public projects being executed in the PPP mode where capital investment is mainly provided by joint ventures or private concessionaires, rent will be charged on commercial rate which will be double the rate as prescribed in sub-para (a), above. In addition, a onetime premium will be paid by the Indenting Authority which will be calculated as follows:-

Lease Period	Premium
If the lease period is less than or equal to 05 years	05 times the Annual Rent
If the lease period is more than 05 years but less than 30 years	Annual rent multiplied by the number of years for which lease is executed or 20 times of the Annual Rent whichever is lower.

In case there is an ambiguity, the decision as to whether a public utility project falls in the first category [as in sub-para (a)] or in the second category [as in sub-para (b)] shall

be taken by the Ministry of Defence after obtaining inputs from the concerned Administrative Ministry and DEA.

- d) Depending upon the nature and intended utility of a particular public project, it will be within the competence of the Ministry of Defence to charge rent or premium, as the case may be, at different rates than those mentioned in sub-para (a) and (b) above, provided that reasons thereof for approving a different rate shall be recorded in writing.
- e) The period of lease and provision for renewal will be decided on a case to case basis taking into account nature of the project, public purpose being served, ownership of the project and utility for the Defence Establishment and Cantonment. Renewal will also be subject to the condition that land continues to be used for the public purpose for which it was originally leased. For calculating rent at the time of extension or renewal of lease, the prevailing STR or value based on Circle/guidelines rates notified by the State Government, as the case may be, shall be adopted and the rent will be charged on the same principles as enunciated in sub-para (a) and (b) above. However, no premium will be charged for extension or renewal of existing lease.
- f) Leases under para 5 B a) would be given for an initial period of 30 years extendable by two further periods of 30 years each i.e. a total of 90 years. In case of other leases the term of the lease and schedule in which the lease will be executed will be decided, in consultation with DGDE, on case by case basis, depending upon the requirements in each case by suitably modifying the standard schedules provided under the CLAR, 1937. No part of the leased land will be used for purposes other than for which it has been leased and the land leased will not be sub-leased in full or part to any other entity without the approval of the MoD. In case of violation of any of the terms, lease will be terminated and the land will be taken back without paying any compensation for the infrastructure created there on.
- g) Depending upon the nature and intended utility of a particular public project, it will be within the competence of the Ministry of Defence to charge rent or premium, as the case may be, at rates different from those mentioned in sub-para (a) and (b) above, provided that reasons therefore for approving a different rate shall be recorded in writing.

C. 6 : Permission to Use Land on License Basis : When only permission to do something on the defence land without grant of any easement or interest therein is required (such as construction of flyovers, Rail Over-bridges, laying electric cables, laying underground water or sewer pipes, lines, domestic gas pipelines etc.) a license may be granted on payment of an annual license fee which shall be determined on following general principles:-

- a) For projects aimed at providing service or utility to public at large, proposed to be executed by the Central Government or a State Government or by organisations/bodies owned or fully controlled by them and by local bodies where the bulk of capital expenditure is to be borne by the Central, State or the Local Government a nominal annual licence fee varying from Rs.1/- to Rs. 1000/- per sq. meter or running meter, depending on the nature of public use and utility for the Military Station/Defence establishment/Cantonment will be charged. The specific range of licence fee chargeable under different categories will be subsequently worked out by DGDE and circulated.
- b) For projects proposed to be executed by joint ventures between Government and private entities and public projects being executed by the PPP, where the bulk of capital expenditure is not mainly incurred by the Government and for projects executed on commercial terms, annual licence fee will be calculated at the rate of 2.5% of land value (market rate) based on STR rates of the reference land is situated in the limits of Cantonment/DA/TA/Deemed to be Cantonment/Deemed to be Cantonment/Deemed to be

will be calculated at the rate of 2.5% of the present market value of the land as notified by the State Government or in its absence on the basis of cost of land calculated by taking average sales statistics of the past three years (Licence fee will be 2.5% of the cost of land so determined).

- c) No premium will be charged for grant of licence for purposes as in sub-para (b) and (c) above. Instead, a refundable security deposit not exceeding 5% of cost of defence land involved in the project, as assessed by the DEO, will be deposited by the Indenting Authority with the DEO before the licence for use of defence land is given by the DEO on sanction by the Government. The refund of security will be made by the DEO on completion of the work and site clearance by the Indenting Authority. In case of non-compliance of any licence condition, claim by third party or damage etc., security deposit will be forfeited to the Government either in full or in part so as to indemnify the Government against any loss, claim or damage.
- d) The period of licence and provision for renewal will be decided on a case to case basis taking into account nature of the project, public purpose being served, ownership of the project and utility for the Defence Establishment and Cantonment. Renewal will also be subject to the condition that land continues to be used for the public purpose for which it was originally licensed. For calculating rent at the time of extension or renewal of licence same principles as enunciated in sub-para (a) and (b) above shall apply.
- e) For licensing of any land vested in a Cantonment Board, similar procedure and terms as given in sub-para (a) to (c) above shall apply, provided that the licence fee shall be payable to the Cantonment Board. Refundable security deposit in respect of land vested in a Cantonment Board shall also be deposited with the Board.
- f) The schedule in which the licence will be executed will be decided on case-by-case basis, in consultation with DG DE, depending upon the requirements in each case by suitably modifying the standard schedule provided under the CLAR, 1957. No part of the licensed land will be used for purposes other than for which it has been licensed and the land licensed will not be sub-licensed in full or part to any other entity without the approval of the MoD.

6. Procedures for processing cases are as follows:

A. Board of Officers

On receipt of the Government order regarding 'in principle' approval for transfer of land and formal proposal of the Indenting Authority, a Board of Officers will be constituted by the User Service or Department in whose management the subject land is presently entrusted. The Board of Officers shall comprise representatives from LMA or user department, DEO, MBS, State Revenue authorities and other stakeholders. The Board of Officers shall give its findings/ recommendations within 02 months of its constitution with regard to the following:

- (i) Complete details, location, area, survey number and present use of land which needs to be transferred, alienated or used (without transfer) for the proposed project for public purpose.
- (ii) Cost of land as assessed by the DEO based on current STR (if within Cantonment limits) or present market value (on the basis of rates notified by the State Govt or in its absence based on average sales statistics for the last three years), for lands located outside Cantonments.

- (iii) Present cost of construction/ reconstruction/ shifting/ relocation of permanent assets and services as assessed by the MES/DRDO/BRO/Cantonment Board or any other Public Works Organization which need to be dislocated or shifted in case land is alienated or allowed to be used for the intended purpose.
- (iv) Safety and security measures to be undertaken by the project authorities during construction phase and thereafter.
- (v) Draft MOU to be entered with the LA.

B. In cases where land is proposed to be transferred on "Exchange basis".

- (i) Joint survey report of representatives of User Service/Department, DEO, State Revenue authorities and Indenting Authority of alternative land proposed to be exchanged on equal value basis.
- (ii) State Revenue authorities shall certify that lands offered in exchange are free from all encumbrances.
- (iii) Cost assessment done by the DEO of lands proposed to be exchanged.

C. It shall be the joint responsibility of the User Service/Department, DEO and State Revenue authorities to complete the Board proceedings within 02 months and submit its recommendations.

D. The recommendations of the 'BOO' together with requisite land details, GLR/Revenue maps, site plan and certificates etc. shall be submitted to the LMA/User Service/Department. Two copies of recommendations of the Board of Officers shall also be given to the DEO.

E. The LMA of User Service or officer concerned of the Department shall forward to the Service HQ/Department HQ its recommendations alongwith the Board proceedings. While forwarding the Board proceedings LMA of User Service or command will also obtain views/comments of the appropriate authority of Directorate General of Defence Estates. Service HQ/Department will forward the Board proceedings alongwith its specific views to the Ministry after examining the recommendations of the Board of Officers and representative of DGDE. The Service HQ/Department should furnish its specific recommendations/views to the Ministry within one month from the date of receipt of Board proceedings by the LMA/officer concerned.

F. DEO shall also forward the proceedings/recommendations of the BOO, alongwith his views to PDDE who shall forward the same to DGDE with his specific views to the recommendations of DEO/ BOO. The Board Proceedings together with recommendations/ views of DEO and PD DE should reach DGDE within one month of receipt of Board proceedings by the DEO.

G. DGDE shall examine the recommendations/views of the Service HQ/Department and that of the PD DE/DEO concerned and submit a proposal to the Ministry within one month on the feasibility of alienating defence land and if so, the preferred mode of transfer, its modalities, costs and other terms and conditions.

E. Decision on transfer of defence land/working permission on Defence land

(i) MoD shall take a decision on transfer of land/grant of Working Permission to the indenting agency, in consultation with the User Service/Department/DG DE/other stakeholders within 01 month of having received the proposal from DGDE and will also finalize the mode of transfer together with other terms and conditions. It will simultaneously prepare and circulate a proposal for obtaining approval of the Cabinet for the transfer of Defence land.


(ii) After issuance of Government order granting working permission an agreement/MOU may be signed between all concerned incorporating all the terms and conditions. For this purpose standard MoUs may be drafted and kept ready to save time. In case any of the conditions of the MoUs are violated the same can be revoked and land taken back. Following the above the IA/Project authority will be allowed to commence work on the project subject to discharge of all obligations within the timelines agreed upon.

(iii) After Cabinet approval formal orders for transfer/exchange of land would be issued by MoD and formal handing over/taking over and correction of records will be undertaken by DGDE in consultation with the LMA/User Service.

7. All cases in which defence land is proposed to be transferred or alienated formal approval of the Cabinet will be sought.

8. This issues with the concurrence of Ministry of Defence (Fin) vide their U.O. No.24/Fin/W-I/15 dated 1.02.2016.

Yours faithfully,

  
(Surya Prakash)  
Director (L&C)

Copy to:

1. The CGDA, Delhi Cantt
2. Ministry of Defence (Finance Division/W-I), New Delhi
3. The DGA (DS), L-II Block, Brassey Avenue, New Delhi
4. QMG Branch/Plg (Lands)
5. D (Air-II)
6. D (Navy-II)
7. D (Q&C)
8. D (R&D)
9. D (QA)
10. D (GS-III)

Annexure - 4c

No. 11015/2/2012/D (Lands) (Pt)  
Government of India  
Ministry of Defence

New Delhi  
Dated 21st October, 2020

To

1. The Chief of Army Staff
2. The Chief of Air Staff
3. The Chief of Naval Staff
4. The Director General Defence Estates
5. The Chairman, Ordnance Factory Board, Kolkata
6. DG QA, New Delhi
7. DRDO New Delhi

Subject: Transfer of Defence land for Public utilities and Public infrastructure projects.

Sir/ Madam,

I am directed to refer to the Ministry of Defence policy letter No. 11015/2/2012/D (Lands) dated 2<sup>nd</sup> February, 2016 and to say that the following amendment is hereby carried out in Para 3 (e) and Para 5A(a) of the said policy:-

Para 3(e)

For: Transfer of Defence land is normally on the basis of exchange of equal value land to be provided by indenting authority. If, however, IA is neither a land owning agency or does not have an arrangement with State /UT Governments for providing land for the project, transfer is considered on payment of current market value of land.

Read: Transfer of Defence land is normally on the basis of exchange of Equal Value Land to be provided by the Indenting Authority or creation of Equal Value Infrastructure (EVI) for the land owning units of Defence by the Indenting Authority. If, however, IA is neither a land owning authority or does not have an arrangement with state Government for providing land for the project, transfer is considered on payment of current market value of land or creation of EVI against the current market value of the land for the land owning units of the Defence.

Q. 11015/2/2012/D  
21/10/20





Para 5A (a)

**For:** Permanent Transfer of land should be done on the basis of exchange of equal value land to be provided by the Indenting Authority. However, for linear projects where the Indenting Authority is neither a land owning authority nor does it have an arrangement with State/ UT government for providing land for the project and is therefore unable to provide equal value land partly or fully in exchange, transfer may be considered on (balance/full) payment of current market value. Market value of the land will be fixed by the DGDE in all the cases based on STR or circle/ guideline rates of the State Government. Inter-Departmental rates of land transfer will be used only where a Project authority has been specially allowed by the Cabinet to obtain land on this basis from other Government entities.

**Read:** Permanent Transfer of land should be done on the basis of exchange of Equal Value Land to be provided by the Indenting Authority or creation of Equal Value Infrastructure (EVI) for the land owning units of Defence by the Indenting Authority. However, for linear projects where the Indenting Authority is neither a land owning authority nor does it have an arrangement with State/UT Government for providing land partly or fully in exchange, transfer may be considered on (balance/full) payment of current market value of the land or creation of EVI by Indenting Agency against the current market value of the land for the land owning units of the Defence. Market value of the land will be fixed by the DGDE in all the cases based on the STR or Circle/guideline rates of the State Government. The value of the land so calculated as on date of issue of working permission / handing over of land will be treated as equivalent value for arriving at Equal Value Infrastructure (EVI). The cost of the construction of the EVI would be benchmarked to the rates given as per prevailing SSR or benchmarks rates of the Government executing agencies, whichever is lower. If the cost of the proposed EVI is less than the current market value of the land to be transferred, the balance amount is to be paid by the IA as cash compensation. IA will be responsible for the construction/execution of the work with respect to creation of EVI finalized. Any cost or time over run will be borne by the IA. Interdepartmental rates of the land transfer will be used only where a Project authority has been specifically allowed by the Cabinet to obtain land on this basis from other Government entities.

*Pratik K. S.*  
21/11/20

2. The detailed guidelines for the cases of EVI are as under:

(a) Process for assessing the market value of the land:-

Normally Defence Land is divided into two parts:-

- i) Defence Land Inside notified Cantonment and;
- ii) Defence Land Outside notified Cantonment

i) Defence Land Inside notified Cantonment:- Land value of defence land Inside Cantonment is fixed by committee comprising representative of LMA/Stn. Commander, revenue authority, DEO and rep of adjoining Municipality/ Corporation. The committee determines the market value of land taking into consideration sales statistics of lands/buildings, valuation assessed by consultancy experts and any other relevant information for arriving at a realistic value. The committees meet every year and finalize its recommendation within two months and send it to the DEO for taking the valuation into account for preparation of STR. It is clarified that, no further consultation with the collector is necessary where the values are assessed by the committees.

Further, for determining the value of land in Cantonment may be divided into zones e.g. bungalow area, civil, shopping and lesser developed areas. Where in a Cantonment there are similar private lands in the neighborhood, valuation of Defence lands can be based on the sale price of the private lands. In other Cantonments, the land in various zones should be identified with similar lands in the neighboring Municipal Area and the sales of the land that have taken place in a particular region in the Municipal Area should determine the value of corresponding land in the Cantonment. The value of land is 40 times of the STR.

ii) Defence Land Outside notified Cantonment:- Land value of defence land outside cantonment is fixed by collector based on the minimum land value is fixed by the collector as Mulya Nirdharan Suchi (MNS)/ guideline values/ Circle rates which are fixed based on the following parameters:-

a) The minimum land value, if any, specified in the Indian stamp act, 1899 for the registration of sale deeds or agreement to sell, as the case may be, in the area, where the land is situated; or

b) The average sale price for similar type of land situated in the nearest village or nearest vicinity area.

*Conker*  
*21/11/20*

(b) Calculation of Equal Value of Land:

Equal value of land is arrived by valuation of land equal to the amount of land which is proposed to be exchange / transfer.

Example:-

- (i) Suppose a piece of land admeasuring 2000 sqmt. have circie rate of Rs. 20,000/- per Sqmt. then, the value of land is  $2,000 \times 20,000 = 4,00,00,000/-$
- (ii) Another piece of land having extent of 1000 sqmt. with market value of Rs. 40,000/- per sqmt. then, the value of land is  $1,000 \times 40,000 = 4,00,00,000/-$ .

Therefore, since the valuation of both the pieces of land i.e. (i) & (ii) is Rs 4,00,00,000/-, hence both are of equal value land.

(c) Manner of calculation of the value of the land for arriving at the value of EVI:

The cost of the defence land will be worked out as per the prevailing STR by DGDE. The overall area to be handed over to Indenting Authority(IA) will be worked out by a joint Board of Officers (BOO) as per the practice currently in vogue and multiplying this figure with the current land rate (based on prevailing STR ) will give the total value of land to be transferred . This value of the land will be taken as on date of issue of working permission/ date of hand over of land. The value of the land so calculated will be treated as equivalent value for arriving at Equivalent Value Infrastructure (EVI). The IA will be responsible for construction /execution of work for creation of EVI finalized as per para (e) below. The cost of construction of EVI would be benchmarked to the rates given as per prevailing SSR or benchmarked rates of the Government executing agencies, whichever is lower. If the cost of the proposed EVI is less than the current value of the land to be transferred, the balance amount is to be paid by the IA as cash compensation. If the cost of the proposed EVI in any case is greater than the current value of the land to be transferred, budget of concerned service would be used.

(d) Cost and time overrun:

Value of the land being offered will be calculated as explained in para (b) above. IA will be responsible for construction /execution of work with respect to creation of EVI finalized. Any cost or time overrun will be taken care by the IA.

EVI would be based on market value of land on date of working permission / handing over of land and estimated cost on the said date as per prevailing SSRs.

*Handwritten signature*  
26/11/20

(e) EVI that can be considered under the policy –

- i- Construction of married accommodation or dwelling units for troops , JCOs
- ii- Other Than Married (OTM) accommodation
- iii- Barricade:
- iv- Checkposts
- v- Service roads
- vi- Sheds
- vii- Barracks for the troops
- viii- Drainage system, STPs
- ix- Lighting arrangement
- x- Boundary Walls and security infrastructures
- xi- Any other infrastructure with approval of DoD.


**Benchmark for seeking Infrastructure under EVI mode**

- a. The items should be authorized /scale as per various authority(s) documents like as per SADS 2009, Scale of Accommodation (SoA), Operational Works and married accommodation Project scales.
  - b. Specifications of the items to be created as Equal Value Infrastructure (EVI) will be as per extant National Building Code (NBC) norms / EinC Branch specifications /CPWD manual /MES/Op Works procedure specifications.
  - c. The proposal will be sanctioned by MoD on the recommendation of Service Headquarters if the purpose falls in for the transfer of A1/analogous to A1 land under the management of Service /Defence Establishments .For B3 and B4 land under the management of DEO or cantonment Board in a cantonment , the EVI will be sanctioned by MoD on the recommendation of the DGDE for development of public roads and streets , drainage , STPs, public utility civic amenities and remunerative projects of Cantonments which will benefit both military and civil population. As the policy pertains to exchange of land for infrastructure, CFA will be Hon'ble RM in all such cases.
3. DGDE will be responsible for keeping a system for monitoring and accounting of the proceeds from the transfer of land.
  4. The other content of the above said MoD policy letter dated 02.02.2016 will remain same.

*Ran K*  
21/11/20

5. This issues with the concurrence of Ministry of Defence (Fin) vide their U.O. 100 dated 21.10.2020.

Yours faithfully,

  
(Pankaj Srivastava)  
Director (Lands-I)  
Tel: 23013173

Copy to:

1. The CGDA, Delhi Cantt
2. Ministry of Defence (Finance Division/W-i), New Delhi
3. The DGA (DS), L-II Block, Brassey Avenue, New Delhi
4. QMG Branch/ Plg (Lands)
5. D (Air-II)
6. D (Navy-III)
7. D (Q&C)
8. D (R&D)
9. D (QA)
10. D (GS-III)
11. DMA, HQ IDS
12. DG BRO
13. Dir (Infra), Coast Guard

No. 11015/2/2012/D(Lands)  
Government of India  
Ministry of Defence

New Delhi  
Dated 03 March, 2022

To,

1. The Chief of Army Staff
2. The Chief of Air Staff
3. The Chief of Naval Staff
4. The Director General Defence Estates
5. DG QA, New Delhi
6. DRDO, New Delhi

Subject: Procedure for transfer of defence land for public utilities and public infrastructure projects – reg.

Sir / Madam,

I am directed to refer to the Ministry of Defence policy letters No. 11015/2/2012/D(Lands) dated 11.03.2015 and 02.02.2016 and to say that the procedure indicated in the ibid letters for transfer of defence land for public utilities and public infrastructure projects is amended to the extent given below :-

- (i) Application for requesting transfer / grant of working permission on defence land shall be submitted by Indenting Authority (IA) through the online portal of MoD ([http://survey.ncog.gov.in/NOC\\_Land](http://survey.ncog.gov.in/NOC_Land)). The applications shall be forwarded to stakeholders online and the comments shall also be shared by stakeholders on NoC portal.
- (ii) In Principle Approval (IPA) will be required by IAs except Central Govt/State Govt departments and CPSUs/Autonomous bodies/Statutory Bodies. The IPA will be conveyed by the Ministry within a period of 30 days from date of receipt of applications.
- (iii) Service HQrs and DGDE shall furnish their comments to MoD along with relevant details within 15 days from the date of forwarding such applications on the online portal.
- (iv) Ministry shall convey its decision regarding grant of working permission or otherwise within 45 days of the receipt of proposal on the online portal.
- (v) The Board Proceedings may be finalized and land handed / taken over for the purpose of commencement of work within 30 days from the date of according sanction for working permission.

- (vi) In case an IA desires to give away portion of defence land in barter to other agencies (except Central Govt bodies) including private individuals to align their project to a contiguous piece of land or for any other reason for the benefit of the project, prior approval of Cabinet shall be taken before grant of working permission.
- (vii) In case an IA fails to <sup>offer</sup> other clarifications to the observations raised by the Ministry within a period of 15 days, the proposal shall be deemed as closed on the online portal.
2. The other content of the above mentioned MoD letters No. 11015/2/2012/D(Lands) dated 11.03.2015 and 02.02.2016 will remain unchanged.
3. This issues with the concurrence of Ministry of Defence (Finance) vide their U.O No 15/Fin(W-I)/22 dated 03.03.2022.

Yours faithfully,

  
Director (Lands)  
Ministry of Defence

Copy to:

1. All Secretaries of the Ministries / Department of Govt of India.
2. All Chief Secretaries of the States & UTs
3. The CGDA, Delhi Cantt.
4. Ministry of Defence (Finance Division / W-I), New Delhi
5. The DGA (DS), L-II Block, Brassey Avenue, New Delhi
6. QMG Branch / Plg (Lands)
7. D(Air-II)
8. D (Navy-III)
9. D(Q&C)
10. D(R&D)
11. D(QA)
12. D(GS-III)
13. DMA, HQ IDS
14. DG, BRO
15. Dir (Infra, Coast Guard)

New Delhi – 110001  
Dated 19<sup>th</sup> December 2016

To :

1. The Chief of the Army Staff,  
New Delhi
2. The Director General,  
Defence Estates,  
Delhi Cantt.

**Subject :Regularization : Ex-post-facto sanction for construction of AWWA Girls Hostel at Bungalow No. 13, GLR Sy. No. 189 at Kirkee Cantonment, Pune and reclassification of the land there of.**


Sir,

I am directed to convey the ex-post-facto sanction of the President of India in respect of Bungalow No. 13 at Survey No.189 admeasuring 5.03 acres, Kirkee Cantonment to the following:

- (i) Resumption of the old grant property from recorded HOR i.e. trustees of Lady Willington Soldier's clubs and handing over notional possession thereof to HQ PSA / Stn HQ Kirkee w.e.f. 19.08.1996.
- (ii) Regularization of construction of Girls Hostel at Bungalow No. 13, comprising GLR Survey No. 189 of Kirkee Cantonment and vesting the entire structures with Government through Local Military Authorities, it being a welfare activity for the families / children of troops.
- (iii) Reclassification of B-3 land to A-1, comprising GLR Sy. No. 189 of Kirkee Cantonment under Rule 7 of the CLA Rules, 1937.
- (iv) Change of management from DEO, Pune to QMG.
- (v) Consequential amendment to the GLR / GLR Plan and Raksha Bhoomi Mutation ID by DEO, Pune.

2. This issues with the concurrence of Ministry of Defence (Finance) vide their U.O. No.815/Fin/W-1/16 dated 16.12.2016

Yours faithfully,

  
(G.C. Srivastava)  
Dy. Director (Lands)

Copy to :

1. Ministry of Defence (Fin/W-1) Kashmir House, New Delhi
2. DGA(DS), L-II Block, Brassey Avenue, New Delhi – 11
3. DGA(DS), Southern Command, Pune
4. PCDA , Southern Command, Pune
5. CGDA Palam Road, Delhi Cantt.
6. LW (South), QMG Branch, AHQ
7. Principal Director, DE, Southern Command, Pune
8. DEO, Pune
9. CEO, Pune.



No. 13019/03/2017/D(Lands)  
(75751/1344/Pune/Pol. Cantt)  
Government of India  
Ministry of Defence  
\*\*\*

Annexure +6

Sena Bhawan, New Delhi  
Dated 05<sup>th</sup> July 2017

To

1. The Chief of the Army Staff  
New Delhi
2. The Director General  
Defence Estates,  
Delhi Cantt.

**Subject : Annulment of lease and reclassification of the land from B-3 to A-1 in r/o B. No. 34, Sy. No. 329, Kahun Road, Pune Cantt.**

Sir,

I am directed to convey the sanction of the Competent Authority to take following measures in respect of Bungalow No. 34 (Wellington Soldiers Club), Kahun Road, Pune at Sy. No. 329, land admeasuring 3.06 acres classified as B-3 in Pune Cantonment:

- (i) Lease Deed dated 21.06.1923 in r/o B. No. 34 (Wellington Soldiers Club), Kahun Road, Pune comprising GLR Sy. No. 329 of Pune cantonment in Schedule VIII of the CLA Rules, 1925 held in perpetuity by Wellington Soldiers Club in supersession of lease in Form 'A' of the Cantonment Code, 1912 is hereby determined. The possession of the said premises be restored by DEO, Pune.
  - (ii) Further, B. No. 34 (Wellington Soldiers Club), Kahun Road, Pune comprising GLR Sy. No. 329 of Pune Cantonment is hereby reclassified under Rule 7 of the CLA Rules, 1937 from Class B-3 to Class A-1 and is placed under the management of QMG for such defence purposes as are duly sanctioned by the competent authority in the Ministry of Defence as per extant instructions.
  - (iii) Consequential amendment to the GLR / GLR Plan and Raksha Bhoomi by DEO, Pune.
2. Since the site has been put to use as Shopping Centre in the past, QMG AHQ shall obtain Govt. sanction within 6 months for regularization of Shopping Centre under the provisions of Defence Shopping Complex (Maintenance and Administration) Rules, 2006 and due rent with arrears if any, shall be deposited into the Consolidated Fund of India through DEO, Pune.

Annexure 7A

Details of Defence Land and Buildings used for Commercial purposes - Indian Army							
Total Defence Land (in Sq Km) being used for commercial purpose	Total No. of buildings used for commercial purpose (Bank/ATMs)	Amount of revenue received from commercial use of land and buildings during the financial years			Amount of revenue received from commercial use of land and buildings during the financial years in CFI		
		2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
Nil (No defence land in terms of Defence Shopping Complex, Maintenance and Administration Rules -2006 is being used for commercial purpose)	No buildings are used for commercial purpose. However, certain shops/ locations are being used for purposes like Bank/ATMs as Regimental shops for which 100% rebate is credited to the CFI	26521165	33136491	37893832	26521165	33136491	37893832

as per

Details of Defence Land and Buildings used for Commercial purposes - Air Force								
Category	Total Defence Land (in acres) being used for commercial purpose	Total No. of buildings used for commercial purpose	Amount of rent collected from commercial use of land and buildings during the financial years			Amount credited into CFI		
			2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
Shopping Complex	1.7	1	76626880	32753822	34628242	38313442	36876913	17314124

Annexure - 7C

Details of Defence Land and Buildings used for Commercial purposes - Indian Navy									
Sr. No.	Category	Total Defence Land (in Sq km) being used for commercial purpose	Total No. of buildings used for commercial purpose	Amount of rent collected from commercial use of land and buildings during the financial years			Amount of rent deposited during the financial years in CFI		
				2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
(a)	Regimental Shops	0.02016974	726	10859110	12393964	14021320	10859110	12393964	14021320
(b)	ATM	0.002	47	3086025	3755786	3,44,00,002.00	3086025	3755786	3,44,00,002.00
(c)	Mobile Tower	0.0006	20	871460	1793394	20,04,158.00	871460	1793394	20,04,158.00
(d)	Petrol Pump	0.0002	1	275788	708919	280237	275788	708919	280237

No. 334774/DoLA/AMRD/2019  
Government of India  
Ministry of Law & Justice  
Department of Legal Affairs  
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Shastri Bhawan,  
Rajendra Prasad Road, New Delhi-110001.  
Dated the 31<sup>st</sup> March, 2020

OFFICE MEMORANDUM

**Subject: Settlement of disputes other than taxation between Government Ministries / Departments *inter se* and between Government Ministries / Departments and other Ministries / Departments / Organisation(s) – Administrative Mechanism for Resolution of Disputes (AMRD).**

Instructions have been issued to Ministries / Departments of the Governments of India, in the past to avoid inter-departmental litigations in any Court of law, including by all CPSEs / Boards / Authorities, etc., under their Administrative control and to resolve the same amicably or through Arbitration.

2. In order to provide for an institutionalized mechanism for resolution of such disputes, Secretary, Department of Legal Affairs has *vide* DO letter No. 332619/338367/LS/2019 dt. 28<sup>th</sup> February, 2020 (copy enclosed) advised all Secretaries to the Government of India that the existing Administrative Mechanism for Resolution of Commercial Disputes (AMRCD), currently applicable to commercial disputes between CPSEs *inter se* and also between CPSEs and Government Departments / Organisations, shall stand extended for resolution of disputes other than taxation, between Ministries / Departments *inter se* and between Ministries / Departments and other Government Ministries / Departments / Subordinate / Attached offices / Autonomous and Statutory Bodies under their administrative supervision/control. Details of the new mechanism, namely, Administrative Mechanism for Resolution of Disputes (AMRD), are hereby outlined for guidance.

3. **Applicability**

AMRD shall apply to any/all dispute(s), other than those related to taxation, between Central Government Ministries / Departments *inter se* and between Central Government Ministries / Departments and other Ministries /

Departments / Organisation(s) / Subordinate / Attached Offices / Autonomous and Statutory Bodies, etc., under their administrative supervision / control.

#### 4. Structure

- (i) Disputes, other than taxation, shall be referred at the First level (tier), to a Committee comprising of Secretaries of the Administrative Ministries / Departments to which the disputing Parties belong and Secretary, D/o Legal Affairs;
- (ii) The Joint Secretaries (JSs) / Financial Advisors (FAs) (for commercial disputes) of the two concerned Administrative Ministries / Departments may represent the issues, related to the dispute in question, before the Committee.
- (iii) In case the two disputing parties belong to the same Ministry / Department, the above Committee may comprise of the Secretary of the administrative Ministry / Department concerned and Secretary, D/o Legal Affairs. Secretary, Department of Public Enterprises may be invited in case the dispute pertains to a CPSE.
- (iv) The resolution of such disputes shall be by unanimous decision of the Committee.
- (v) In case the dispute remains unresolved after consideration by the Committee, it will be referred at the Second level (tier), to the Cabinet Secretary, whose decision will be final and binding on all concerned.

#### 5. Procedure

- (i) At the First level (tier), the claiming party (Claimant) may be represented, before the Committee, by the JS / FA of the administrative Ministry / Department. The Secretary of administrative Ministry / Department of claiming party will inform in writing the details of the dispute, to the Secretary of administrative Ministry / Department of responding party (Respondent) and Secretary, D/o Legal Affairs and request for convening a meeting. Thereafter meetings may be held to examine the facts and resolve the dispute on merit. The JSs / FAs of the concerned administrative Ministries / Departments will represent the issues, related to the dispute in question, before the above Committee. After the Committee arrives at a decision, it shall be signed by the members of the Committee. A copy of the decision will be communicated by the Secretary of the administrative Ministry / Department of the claiming party to members of the Committee and to each party to the dispute for implementation.

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1. The Government of Punjab, through the Punjab Administrative Tribunal, shall be empowered to hear and determine all disputes relating to the recruitment, appointment, promotion, transfer, discipline, etc. of persons employed in the Government of Punjab.

2. The Government of Punjab shall be empowered to hear and determine all disputes relating to the Departments / Organisation(s) / Subordinate / Attached Offices / Autonomous and Statutory Bodies, etc. under their administrative, supervision & control.

4. Structure

(i) Disputes, other than taxation, shall be referred at the First level (tier), to a Committee comprising of Secretaries of the Administrative Ministries / Departments to which the disputing Parties belong and Secretary, D/o Legal Affairs;

(ii) The Joint Secretaries (JSs) / Financial Advisors (FAs) (for commercial disputes) of the two concerned Administrative Ministries / Departments may represent the issues, related to the dispute in question, before the Committee.

(iii) In case the two disputing parties belong to the same Ministry / Department, the above Committee may comprise of the Secretary of the administrative Ministry / Department concerned and Secretary, D/o Legal Affairs. Secretary, Department of Public Enterprises may be invited in case the dispute pertains to a CPSE.

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#### 5. Procedure

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(ii) The Committee of Secretaries at the First level (tier) shall finalise its decision within 3 months after having received the reference/notice in writing regarding the dispute from the concerned aggrieved party.

6. **Appeal**

Any party aggrieved with the decision of the Committee at the First level (tier) may prefer an appeal before the Cabinet Secretary at the Second level (tier) within 15 days from the date of receipt of decision of the Committee at the First level, whose decision will be final and binding on all concerned.

7. All administrative Ministries / Departments are requested to bring these guidelines to the notice of all Authorities / Boards / Subordinate / Attached Offices / Autonomous and Statutory Bodies, etc., under their administrative supervision/control for strict compliance.

8. This issues with the approval of the Competent Authority.

*R. Mani*

(DR. Rajiv Mani)

Joint Secretary & Legal Adviser

Tel. 23384836

Encl. : Copy of the DO letter No. 332619/338367/LS/2019 dated 28/02/2020 issued by Sh. Anoop Kumar Mendiratta, Secretary, Department of Legal Affairs, Ministry of Law & Justice.

To,

Secretary of all Ministries / Departments of the Government of India.

Copy forwarded for kind information to:

- (i) The Prime Minister's Office, South Block, New Delhi.
- (ii) The Cabinet Secretariat, Rashtrapati Bhawan, New Delhi.
- (iii) PS to the Hon'ble Minister of Law & Justice, Shastri Bhawan, New Delhi.
- (iv) Secretary D/o Legal Affairs, Shastri Bhawan, New Delhi.
- (v) Addl. Secretary(Judicial), D/o Legal Affairs, Shastri Bhawan, New Delhi.

*R. Mani*

(DR. Rajiv Mani)

Joint Secretary & Legal Adviser

Tel. 23384836

अनूप कुमार मंदिराटा  
Anoop Kumar Mendiratta



सचिव  
विधि और न्याय विभाग  
THIRD FLOOR  
SECRETARY  
DEPARTMENT OF LEGAL AFFAIRS  
MINISTRY OF LAW & JUSTICE  
GOVERNMENT OF INDIA

No. 332619/333367/L.S/2019

Dated: 28<sup>th</sup> February 2020

Dear Secretary,

In a meeting of Committee of Secretaries (CoS) chaired by Cabinet Secretary on 23.01.2020, the issues relating to instruction to all Government Ministries/Departments for the effective implementation of the existing 'Administrative Mechanism for Resolution of CPSEs Disputes' (AMRCD) and extension of its applicability to all the Government Departments/Ministries and CPSEs for resolution of disputes, other than taxation disputes were discussed. The CoS *inter-alia* recommended that the existing AMRCD mechanism be made applicable to disputes other than those related to taxation, and extended to all Ministries/Departments.

2. It has been the constant efforts of this Department to reduce Government litigation in courts so that valuable court time is spent in resolving other pending cases. It has also been endeavour of the Government to see that disputes between various Ministries/Departments/CPSEs/Boards/Authorities under the administrative control of the various Ministries/Departments do not go to the Court. In that direction, presently AMRCD is functioning through the Department of Public Enterprises which deals with the dispute resolution of CPSEs but excludes its applicability to the disputes relating to Railways, Income Tax, Customs and Excise Departments. Similarly in-house mechanism is working in some other Departments of the Government. Such mechanism includes Arbitration and other Alternate Dispute Resolutions Mechanism. In spite of these instructions, Departments/CPSEs still resort to court proceedings for settlement of disputes either with the Government Departments or with other PSUs.

3. To give effect to the decision taken at the CoS meeting as per minutes dated 27.01.2020, all the Ministries/Departments are requested to resolve the *inter-se* disputes of various Ministries/Departments/CPSEs other than those related to taxation, through existing AMRCD mechanism. The Ministries/Departments are also requested that when any such dispute is referred for resolution through AMRCD mechanism, a copy of the same shall also be endorsed to this Department and further updates shall be intimated immediately. Ministries/Departments shall accordingly issue necessary instructions in this regard, to all CPSEs/Boards/Authorities under their administrative control. Further, the timelines in the laid down process of AMRCD be also adhered to and complied with.

आपका सहायक

Yours sincerely,

(Anoop Kumar Mendiratta)

All Secretaries to the Government of India

Copy to  
Shri Rajiv Gauba, Cabinet Secretary, Rashtrapati Bhawan, New Delhi

Digitally signed by Anoop Kumar Mendiratta, DN: cn=Anoop Kumar Mendiratta, o=Ministry of Law & Justice, ou=Department of Legal Affairs, email=anoo@law.nic.in, c=IN

**(APPENDIX – II)**  
**(Vide para 5 of Introduction)**

**ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE CONTAINED IN THEIR ONE HUNDRED AND SIXTH REPORT (SIXTEENTH LOK SABHA)**

- (i) **Total No of Observations/Recommendations** - **05**
- (ii) **Observations/Recommendations of the Committee which have been accepted by the Government:** - **Total: 05**  
**Percentage – 100%**

***Para Nos. 1-5***

- (iii) **Observations/Recommendations which the Committee do not desire to pursue in view of the replies received from the Government:** - **Total: Nil**  
**Percentage – 0%**

***-Nil-***

- (iv) **Observations/Recommendations in respect of which replies of Government have not been accepted by the Committee and which require reiteration:** - **Total: Nil**  
**Percentage – 0%**

***-Nil-***

- (v) **Observations/Recommendations in respect of which Government have furnished interim replies:** - **Total: Nil**  
**Percentage – 0%**

***-Nil-***

