

DEFENCE ESTATES MANAGEMENT

[Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Eighty-ninth Report (15th Lok Sabha)]

MINISTRY OF DEFENCE**PUBLIC ACCOUNTS COMMITTEE
(2018-19)****ONE HUNDRED AND THIRTEENTH REPORT**

SIXTEENTH LOK SABHA

**LOK SABHA SECRETARIAT
NEW DELHI**

PAC NO. 2152

ONE HUNDRED AND THIRTEENTH REPORT

**PUBLIC ACCOUNTS COMMITTEE
(2018-19)**

(SIXTEENTH LOK SABHA)

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MINISTRY OF DEFENCE



Presented to Lok Sabha on:

Laid in Rajya Sabha on:

**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2018/Agrahayana, 1940 (Saka)

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Report (Fifteenth Lok Sabha)

**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2018-19)**

Shri Mallikarjun Kharge - Chairperson

MEMBERS

LOK SABHA

2. Shri Subhash Chandra Baheria
3. Shri Sudip Bandyopadhyay
4. Shri Prem Singh Chandumajra
5. Shri Gajanan Chandrakant Kirtikar
6. Shri Bhartruhari Mahtab
7. Smt. Riti Pathak
8. Dr. Ramesh Pokhriyal "Nishank"
9. Shri Janardan Singh Sigriwal
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11. Shri Gopal Shetty
12. Dr. Kirit Somaiya
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19. Shri Narayan Lal Panchariya
20. Shri Sukhendu Sekhar Roy
21. Shri Bhupender Yadav
22. Shri C.M. Ramesh

SECRETARIAT

1. Shri A.K. Singh - Additional Secretary
2. Shri T. Jayakumar - Director
3. Smt. Bharti S. Tuteja - Deputy Secretary
4. Shri Deepankar Kamble - Committee Officer

INTRODUCTION

I, the Chairperson, Public Accounts Committee (2018-19), having been authorised by the Committee, do present this One Hundred and Thirteenth Report (Sixteenth Lok Sabha) on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Eighty-ninth Report (Fifteenth Lok Sabha) on '**Defence Estates Management**' relating to Ministry of Defence.

2. The Seventh Report was presented to Lok Sabha/laid in Rajya Sabha on 9th December, 2013. Replies of the Government to the Observations/Recommendations contained in the Report were received on 15th October, 2014. The Public Accounts Committee (2018-19) considered and adopted the One Hundred and Thirteenth Report at their sitting held on 3rd October, 2018. Minutes of the sitting are given at *Appendix-I*.

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

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

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

NEW DELHI;
12th December, 2018
21 Agrahayana, 1940 (*Saka*)

MALLIKARJUN KHARGE,
Chairperson,
Public Accounts Committee

CHAPTER – I **R E P O R T**

This Report of the Public Accounts Committee deals with Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Eighty-Ninth Report (Fifteenth Lok Sabha) on “**Defence Estates Management**” based on the C&AG Report No. 35 of 2010-11 (Performance Audit) Union Government, relating to the Ministry of Defence.

2. The Eighty-Ninth Report (Fifteenth Lok Sabha), which was presented to Lok Sabha/laid in Rajya Sabha on 9th December, 2013, contained 12 Observations/Recommendations. Action Taken Notes in respect of all the Observations/Recommendations have been received from the Ministry of Defence and these have been categorized as under:

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

Paragraph Nos. 1, 2, 3, 5, 6 and 8

Total: 06
Chapter- II

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

-NIL-

Total: NIL
Chapter- III

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

Paragraph Nos. 4, 10, 11 and 12

Total: 04
Chapter- IV

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

Paragraph Nos. 7 and 9

Total: 02
Chapter- V

3. **The Committee desire that the Ministry of Defence furnish the final/conclusive Action Taken Note on the Observation/Recommendation Nos. 7 and 9 of their Eighty-Ninth Report (Fifteenth Lok Sabha) in respect of which the Ministry have furnished interim reply.**

4. The Action Taken Notes furnished by the Ministry of Defence on the Observations/Recommendations of the Committee contained in their Eighty-Ninth Report (Fifteenth Lok Sabha) have been reproduced in the relevant Chapters of this Report. In the succeeding paragraphs, the Committee have dealt with the Action Taken by the Government on some of their Observations/Recommendations which either need reiteration or merit comments.

I. **Variations in Records of Actual Land Holdings**
(Recommendation Para No. 3)

5. The Committee had expressed deep concern at the large scale discrepancies between the figures of A-1 lands furnished by the Local Military Authorities (LMAs) and the Defence Estates Officers (DEOs) who keep the records in General Land Register (GLR) and Military Land Register (MLR). The Committee had also found that out of 25 stations in four Army Commands, between the LMAs and DEOs, the land area in the records of LMAs in respect of nine stations was higher by 12769.86 acres i.e., 46.9 percent and in the remaining 16 stations less by 9,427.77 acres i.e., 23.36 percent. The Committee had not accepted the explanation furnished by the Ministry that discrepancies between the records of LMAs and DEOs could be due to occupying units move-out & new units move-in without the knowledge of the DEOs and possibly without proper handing/taking over of land records between themselves. The Committee had viewed both DEOs and LMAs responsible for inept handling of valuable land records, failure to conduct regular inspections and reconciliation of land record. The Committee had therefore, recommended that the Ministry take immediate steps to make it mandatory for DEOs to periodically inspect the land records maintained by the LMAs and take swift and stringent corrective measures. Taking serious note of the wide discrepancies ranging up to 46.9 per cent in land records, the Committee had further recommended that the comprehensive survey of all Defence lands be completed within a definite time period and the Committee apprised. The Committee had also recommended that an effective E-system be

created expeditiously by which the records maintained by LMAs are integrated and the data shared on real-time basis with the DEOs/DGDE/Ministry.

6. The Ministry in their Action Taken Notes have stated as under:

"(i) With respect to the observations of the PAC the Ministry would like to reiterate that Land records are maintained by the Defence Estates Officer (DEO) as a custodian of land records, as a statutory requirement under Cantonment Land Administration Rules, 1937 (CLAR) for land inside Cantonments and under ACR Rules, 1944 for land outside Cantonments. Land records maintained by the LMAs are only internal records to enable them to manage lands under their custody.

(ii) The Ministry would like to submit that in terms of provisions of sub-rule (3) of Rule 13 of CLAR 1937 DEO is required to submit a certificate duly countersigned by the Station Commander, as to the correctness of plans and schedules of Class A land. Likewise ACR Rules also require that DEO/Land managing agency is required to give a certificate each year that 20% of land holding has been inspected and that there are no encroachments found. The discrepancies reported by Audit could not be addressed as certificates required by the CLAR and ACR rules were not being furnished by LMAs and DEOs. DGDE has intimated that it has instructed DEOs and CEOs to issue the necessary annual certificates. Service HQrs are also being advised to ensure that LMAs issue the necessary certificates. This will ensure that discrepancies in records are addressed.

(iii). It is further brought to the notice of the Committee that to ensure reconciliation of Defence land records with actual land holding on ground physical survey of entire Defence land has been undertaken by the Defence Estates Department under a project sanctioned by the Ministry of Defence in 2011. The survey work outside Cantonments was to be carried out by DEOs in phases. Nearly 91% of the overall survey work has been completed by 30.06.2014. The remaining survey work will be completed soon. Necessary, survey reports will be submitted by the DEOs by 31.12.2014. The survey work inside Cantonments is being carried out by the Cantonment Boards with the help of professional institutions. Survey of lands inside Cantonments is also expected to be completed by 31.12.2014. DGDE has planned survey and reconciliation of Defence land as a continuing activity and all Defence lands are proposed to be surveyed every three years from the year 2015-16 onwards. This will result in regular physical inspection of Defence lands and their reconciliation with land records. An SOP is also being formulated in this regard. For this purpose staffs are being regularly sent for training in survey techniques to reputed institutes. The above action would ensure compliance with the recommendation of the PAC for undertaking a comprehensive survey of all Defence lands within a definite time period

(iv). In addition to the above Army HQrs has also intimated that it has already ordered an internal assessment of A-1/Analogous to A-1 Defence land holding by LMAs after physical verification in concert with DEO and

state revenue department. HQ Commands have been advised to take following necessary action:-

- (a) To streamline the land records of A-1/Analogous to A-1 Defence land under their management.
- (b) Conduct regular inspection of land holdings.
- (c) Reconcile land records with those held with DEO as per Raksha Bhoomi CD and extend all cooperation to DEO for reconciliation of these records.
- (v) With respect to recommendations of the PAC for creation of an effective E-system by which the records maintained by LMAs are integrated and the data shared on real-time basis with the DEOs/DGDE/Ministry it is submitted that integration of data held by DGDE with that of LMA is possible only if data is held by the LMA in electronic form and with a compatible data structure. Further, integrating databases of DGDE with that of the Services online will have security implications. As such the Ministry is of the opinion that the present practice of providing data in CDs to the LMAs may be continued and update patches may be provided by DGDE to them from time to time.
- (vi) Further to address the concerns and recommendations of the PAC the Ministry has asked DGDE to take the following actions:
 - (a) Carry out a one-time exercise of reconciliation of records of A- 1/ analogous to A-1 lands held by them with the records held by the Military Authorities (LMAs). DGDE has been asked to complete this exercise within 4 months and submit its findings to the Ministry.
 - (b) Undertake a periodic reconciliation of their records with that of the LMAs along with periodic survey planned of all Defence lands every 3 years.
 - (c) Instruct DEOs to extend all support to the Army in the internal assessment /audit being undertaken by them which also includes reconciliation of records.
 - (d) Provide electronic land records to the Services and update these at regular intervals.
- (vii) In addition Services have been asked to extend all cooperation to DGDE for undertaking both the one time reconciliation and subsequent periodic reconciliation exercises. They will also be advised to provide inspection certificates annually as required under CLAR and ACR 1944".

7. The Committee note that in order to address their concerns expressed in the recommendation, the Ministry has asked DGDE to take action viz. to carry

out one-time exercise of reconciliation of records of A-1/analogous A-1 lands held by them with the records held by the LMAs, undertake a periodic reconciliation of their records with that of the LMAs and provide electronic land records to the Services and update these at regular intervals. Yet, from the replies furnished by the Ministry, the Committee find that these are some inherent deficiencies in the functioning of DEOs and LMAs. The Ministry's own admission that the deficiencies reported by Audit could not be addressed as certificates were not being furnished by LMAs and DEOs, shows the casual attitude on the part of these offices and officers in the Ministry in the discharge of their respective duties/functions. The Committee desire appropriate punitive action against the concerned officials immediately. Moreover, the Ministry's submission that DGDE has instructed DEOs and CEOs to issue the necessary certificates further highlights as if it is not mandatory on the part of the DEOs and LMAs to furnish the certificates annually which is required under the CLAR and ACR rules. The Committee feel that had the subject not been examined by them, such lackadaisical attitude on the part of DEOs and the LMAs would not have come to the notice of the Ministry. Moreover, they are surprised to note that although the Defence Estates Department has been undertaking a survey since 2011 to ensure reconciliation of Defence land records with actual land holdings on ground, physical survey of the land has not yet been completed. The Committee desire that the survey of the entire Defence land in the country be completed soon and the survey report be provided to them. With respect to the creation of an e-system for integrated data sharing, the Committee feel that with the advancement in the IT sector, the Ministry need to create a secure and encrypted e-management system wherein the relevant data can be shared with DEOs/DGDE/Ministry without compromising security. The Committee would like to be apprised of the action taken in this regard.

II. Computerisation of Defence Land Records **(Recommendation Para No. 4)**

8. The Committee were informed that the computerization of Defence land records under the project "*Raksha Bhoomi*" had been completed. However, the Committee had noticed considerable delay in completing the project and the reasons attributed for the delay were (i) incompatibility of the newly purchased hardware with

the operating system, which led to procurement of improvised software, (ii) lack of uniformity in the GLRs maintained by DEOs, (iii) shortage of technical staff, (iv) involvement of staff in disposal of other priority work and (v) inordinate delays in mutation process. The Committee had observed that the avoidable delay in implementation of the 'Raksha Bhoomi' project was caused due to lack of effective planning, execution and monitoring, resulting in purchase of inappropriate hardware that was incompatible with the operating system apart from shortage of staff – general and technical, etc. The Committee, therefore, had recommended that responsibility be fixed for delay in computerization of Defence lands and stringent action taken against the responsible for incompatible hardware. Also, finding that General Land Registers maintained by the DEOs differ from one State to another, the Committee had recommended that uniformity must be maintained to make entries which should be followed by all the DEOs throughout the country without fail and the Committee apprised.

9. The Ministry in their Action Taken Notes have stated as under:

"(i) The computerization of Defence land records under the project "*Raksha Bhoomi*" was a gigantic task which has been successfully undertaken by the Defence Estates Organization mostly utilizing internal resources. The first version of the Raksha Bhoomi software developed in house for computerization of General Land Registers (GLRs) was released by then RRM on 08.11.2006. Thereafter a project for computerization of records for all Defence lands records was taken up and administrative and expenditure sanction for implementing the project was issued by the ministry on 07.02.2007. As per sanction, the project was to be implemented within 02 years from the date of Government sanction. Subsequently, an upgraded version of Raksha Bhoomi software for Military Land Registers (MLR) was released by RRM on 22.10.2007. The data of entire Defence land records in the Raksha Bhoomi(RB) database was thereafter consolidated and provided to all stakeholders during July, 2011. The next version of RB database was released in June, 2012.

(ii) The delay in implementation of the RB software was mainly on account of data entry problems faced by various offices of DGDE. Therefore, several "patches" had to be released to attend to specific problems faced by various field offices. Further, training of officers and staff were also undertaken for data entry work, attending to software related issues, verification and authentication of data and security related aspects. This process took time but was unavoidable. It is also submitted that land record management for lands spread across various States/UTs is a complex exercise. Most software projects related to land management result in failures due to the complexities and inaccuracies in land records. The entire Defence land records data

contained in GLRs and MLRs was successfully computerized by July, 2011 and since then is being used on a day to day basis by all the field offices.

(iii) As regards the observation of the Committee about the avoidable delay in implementation of the 'Raksha Bhoomi' project and causes for the same it is submitted that as stated above computerization of land records is a complex exercise and the work was being taken up in-house and initial delays were unavoidable. Computerization of Defence land records has since been completed and has been put to practical use. The delays were due to several unforeseen reasons and the complexities associated with IT systems being developed for large and complex data.

(iv) With respect to the observation of PAC that General Land Registers maintained by the DEOs differ from one State to another and its recommendation that uniformity must be maintained to make entries which should be followed by all the DEOs throughout the country it is clarified that the format for GLR is uniform and as per format given in Cantonment Land Administration Rules 1937. This uniform format has been adopted in the RB software.

(v) However, as is true for any IT system and computer programme, the Government recognizes the need for upgrading and improving the system based on feedback received from the users. DGDE is in the process of further upgrading Raksha Bhoomi database by undertaking the following:

- (a) Migration of the stand-alone system in various Defence Estates offices to a Central Server for on-line updation and access by users.
- (b) A secured network is being developed through NIC for providing connectivity to 113 offices across India.
- (c) User-interface on 'Windows' is being developed to enable users to access 'Raksha Bhoomi' database with ease while the database itself will be in the secured Linux System (CentOS, Red Hat etc.).

10. The Committee note that although the Ministry has informed about the steps taken by them towards successfully computerizing all Defence land records under the project 'Raksha Bhoomi', yet their reply is conspicuously silent on the lapses or dereliction of duty, which caused delay in completing the project *i.e.* i) incompatibility of the newly purchased hardware with the operating system, which led to procurement of inappropriate software; ii) shortage of technical staff; (iii) involvement of staff in disposal of other priority work; and (iv) inordinate delays in mutation process. Reaffirming their earlier observation that the avoidable delay in implementation of the 'Raksha Bhoomi'

project was caused due to lack of effective planning, execution and monitoring, resulting in purchase of inappropriate hardware that was incompatible with the operating system, apart from shortage of staff etc. The Committee reiterate that responsibility be fixed for delay in computerization of Defence land and stringent action taken against those responsible for purchasing incompatible hardware. They feel that such an action will act as a deterrent and will help prevent recurrence of such lapses in future.

III. Encroachment On Defence Land (Recommendation Para No. 8)

11. The Committee were deeply dismayed to note the unabated encroachments on Defence land despite the repeated wake up calls given by the constitutional auditor. Worse, non-mutation of land records and non-utilization of vast tracts of Defence lands only encouraged encroachment of Defence land which had increased from 6,903 acres in January 1997 to 14,539.38 acres in July, 2009. The Committee observed that the existence of multiple authorities like the DGDE and the LMAs that look after management of Defence lands, had only exacerbated the situation for want of clear demarcation of responsibility. The Committee, therefore, recommended creation of a single unified authority, which shall look into management and protection of Defence lands, fast-track the recovery of encroached lands and shall also be responsible for monitoring & supervision of all field offices entrusted with the responsibility to manage Defence lands and property.

12. The Ministry in their Action Taken Notes have stated as under:

"It is submitted that as per data collected the total extent of land under encroachment as on 31.3.2013, was 11,456 acres. Details of land area under encroachment for different land management agencies are as follows:

Sl. No.	Name of Land Management Agency	Area Under Encroachment in Acres
1	DGDE	5007.50885
2	Army	4669.4568
3	Air Force	1191.4505
4	Navy	484.2727
5	D(Production)	77.276
6	DRDO	19.7
7	DGQA	5.75588
8	Dte. of Standardization	0.117
	Total	11455.53773

(ii). It is stated that most of the encroachments are more than 20 years old. DGDE has stated that of the approximately 5000 acres of land under its management which is encroached, 2496 acres is land held by ex-agricultural lessees and will be taken over after following due process of law. Around 799 acres are held unauthorizedly by State Governments and other Departments of the Central Government. These encroachments cannot be removed and have to be regularized in consultation with the concerned Departments/Governments.

(iii). The Ministry would also like to bring to the notice of the Committee that it has issued several instructions for protecting Defence land and for preventing encroachments. It is a result of this that new instances of encroachment are reportedly few. In addition, action against encroachers is taken under the PPE Act and the Cantonment Act. This process though ongoing is slow due to lack of support from local government, resistance from encroachers and litigation initiated by the encroachers. Nevertheless, it is reported that over the last 3 years there has been a reduction in the area under encroachment by 1409.7 acres.

(iv). With regard to PAC's observation that the existence of multiple authorities like the DGDE and the LMAs that look after management of Defence lands, have only exacerbated the situation for want of clear demarcation of responsibility, it is submitted that MoD's instructions, Cantonment Land Administration Rules and ACR Rules clearly assign the responsibility for management and protection of Defence land and for removal of encroachments to the various land management agencies. Monitoring and supervision of respective field offices is undertaken by Service HQrs and by DGDE and overall control is exercised by the Ministry.

(v). In the context of the above the Ministry is of the view that a single unified authority would not be necessary. However, to review and monitor actions for prevention and removal of encroachments a Committee has been formed under the Chairmanship of the Additional Secretary, Ministry of Defence and with Joint Secretaries dealing with land matters of Army, Navy and Air Force and representatives of DGDE and other land management agencies as members. The Committee would periodically monitor (quarterly or six-monthly) the status of encroachments, increase/decrease in encroachments, measures taken to fast track recovery of encroached lands and measures for protection of Defence land."

13. Subsequently, on the request of the Committee, the Ministry furnished updated figures regarding encroachments on Defence land which are as follows:

"As per data collected the total extent of land under encroachment as on October 2015 was approximately 11, 179 acres as against 11,456 acres of land under encroachment as on 31.3.2013. Details of land area under encroachment for different land management agencies are as follows:

Sl. No.	Name of Land Management Agency	Area under Encroachment in Acres
1.	DGDE	4767.3401

2.	Army	4610.7194
3.	Air Force	1192.55
4.	Navy	505.53
5.	D(Production)	77.276
6.	DRDO	19.7
7.	DGQA	5.75588
8.	Dte. of Standardization	0.117
	Total	11178.98838

14. **Encroachment of Defence land is yet another area of concern for the Committee as they find that huge areas of Defence land is still under private and unauthorized encroachments. What is even more disturbing for the Committee to note in the Ministry's submission that these encroachments cannot be removed and have to be regularized. They feel that this attitude on the part of the Ministry will not help in removing the encroachments; rather it will help agitate/provoke the encroachers to augment their demand for regularization. Moreover, the Committee find that the Ministry in their own submission have stated that the process to remove encroachments is slow due to lack of support from the local Governments and resistance from the encroachers. It seems the Ministry of Defence has not been serious at issued routine instructions without any proper follow up for protecting Defence lands and for preventing encroachments. However, the Committee find that after this subject was taken up for examination by the Committee, the encroachment on Defence lands has come down from 11,456 acres in March, 2013 to 11,179 acres in October, 2015. The Committee, therefore, urge upon the Ministry to take up the matter with the State/local Governments at the highest level for removal of encroachments on Defence land under intimation to the Committee. The Committee would also like to be apprised as to how many periodic review meetings have been held and also the outcome of these meetings. They feel that a more proactive approach on the part of the Ministry will help address this issue in an effective manner.**

**IV. Unauthorised Use of Defence Land for Parks and Clubs
(Recommendation Para No. 10)**

15. The Committee had noted that clubs and parks established for the benefit of Defence personnel and their families were exploited by civilians for organizing

parties, marriages, exhibitions, etc. Worse, the proceeds from such events are not being credited to the Government account. There were instances of illegal constructions on such parks. The Committee had impressed upon the Ministry of Defence to setup an enquiry in the matter so that all encroachments and prohibited activities are detected and stringent remedial action taken to prevent misuse/abuse of Defence environmental parks/lands and the Committee be apprised.

16. The Ministry in their Action Taken Notes have submitted as under:

(i) "The Clubs and Parks on A-1 Defence land were being established for the benefit of Defence personnel and their families residing in the Cantonments. These facilities are also used by Civilian residents of Cantonments. Several Clubs and institutes have been set up on leased land or OGBs and have existed from the British era

(ii). Though no specific case has been cited in the report of the PAC, the position with regard to cases highlighted in the Performance Audit Report of C&AG (i.e. Report No 35) is that in the case of Agra Club action under PPE act has been initiated and in the case of MB Club action for determining the lease has been proposed. The case relating to Royal Western India Turf Club involves a dispute about the area of land covered by the perpetual lease given by Government prior to independence. Some issues are also sub-judice. In the case of Secundrabad Club action taken by DEO under PPE Act has been challenged in Courts and the matter is sub-judice. As regards to the 2 parks mentioned in the Report, it is intimated that the Park in Bangalore has been closed to the Public following audit objections though the same had been used as a Public park since 1996. As regards the park at Bhatinda i.e. Chetak Park, AHQ has intimated that the park was setup as a welfare measure in 1997 for residents of the military station and Ex-servicemen frequenting the Station. The land for various reasons is not suitable for buildings and was kept as an open space. Two regimental shops were set up based on feedback of visitors to the park. As per existing policy 50 % of profits are being deposited in the Government account and the balance is being used for upkeep of the park. Though the park was set up from regimental funds 50% of ticket prices are being deposited in Government Treasury.

(iii). As regards observation of the Committee that clubs and parks established for the benefit of Defence personnel and their families are exploited by civilians for organizing parties, marriages, exhibitions, etc, AHQ has issued instructions to all the Commands to ensure that Defence lands are being utilised for bonafide military purposes and those stipulated in land norms laid down by the Government and as stipulated by the extant rules, regulations and Government policies. It has also been advised that stringent action be taken against any misuse/ abuse of Defence land in violation of Government policy and necessary action be taken so that such violations do not occur in future. Navy has intimated that no unauthorized use of Defence land has been permitted to set up Clubs/parks at Naval Stations and clubs

and parks are being set up as per authorization and no misuse is being permitted.

(iv). Keeping in view the observations of the PAC instructions are being issued to all Service HQrs not to allow any parks and clubs which are established for the Defence personnel to be utilized by unauthorized persons for organizing parties, marriages, exhibitions etc. Copy of the instructions, when issued, will be made available to the PAC as well as Audit.

17. The Committee are aghast to note that the reply of the Ministry is not in consonance with the spirit of the recommendation made by the Committee. The main intention behind recommending an enquiry into instances of illegal usage or illegal construction/encroachment was to detect/find out the details of such illegal encroachment/usage which may be throughout the length and breadth of the country, and to take remedial action to prevent misuse of Defence land. Surprisingly, the Committee find that instead of setting up an enquiry they have simply given instruction to the Service HQs for preventing unauthorised use of Defence land. They earnestly feel that without setting up of an enquiry in the matter, the Ministry will not be able to detect all the encroachments and cases of unauthorized use of Defence land. The Committee, therefore, reiterate their earlier recommendation and urge upon the Ministry to set up an enquiry in the matter without causing any further delay so that all encroachments and prohibited activities are detected and stringent remedial action be taken to prevent misuse/abuse of Defence land.

**V. Dismal State of Management of Leases
(Recommendation Para No. 11)**

18. The Committee had noted with concern that as of March 2010, 2500 acres of land valuing ` 11,033 crore was on lease for an annual rent of ` 2.13 crore which was a pittance considering the market value of the land. Shockingly, no visible efforts had been made to renew 3780 cases of lease renewal, in 1800 cases no requests were received for lease renewal and in 1081 cases the status of leases was unknown. The Committee had deplored the reply of the Ministry expressing their inability to fix responsibility due to involvement of multiple authorities. The Committee were however, assured that all these aspects and deficiencies could be addressed in the policy being formulated in this behalf. The Committee had, therefore, recommended

that the Government bring out the concerned policy within six months of the presentation of this report and apprise them about the salient features of the policy.

19. The Ministry in their Action Taken Notes have submitted as under:

"With respect to the observations and recommendations of the PAC it is submitted that 4200 acres of Defence land had been given on lease to private parties under the provisions of the Cantonment Codes 1899 and 1912 and the Cantonment Land Administration Rules, 1925 and 1937. These leases were given long time back, and the lease rent and premium (wherever applicable) was fixed at that point of time based on the prevalent land value. There are 2850 leases which have expired and have not been renewed on account of the following difficulties encountered in their timely renewal:

(a) Non-receipt of renewal application from the lessees.

(b) Non submission of requisite documents by lessees.

(c) Violation of lease terms such as:

- i. Failure to complete construction of building within the prescribed time as stipulated in the lease deed and/or to obtain sanction of competent authority, for additions/alterations to the building constructed on leased land.
- ii. Sale of leasehold rights and non submission of intimation thereof within the prescribed time period to the competent authority.
- iii. Change of purpose.

(d) Non-mutation due to (c) and also on account of disputes amongst legal heirs of ex-lessees and litigation arising therefor.

(e) Shortage of officers and staff in the DE Organization etc.

(ii). Despite efforts made by the field officers i.e. DEOs and CEOs in obtaining requisite documents from the lessees to renew leases, results have not been so encouraging. Awareness camps have also been organized in the past at various Cantonments to inform the concerned persons regarding the requirements for renewal of leases and the implications of non-renewal. Instructions have been issued from time to time to the Directorates and to the field offices to progress the cases of lease renewal in a time bound manner. Instructions have already been issued by the DGDE vide their letter No.723/A/3/L/DE/2007 dated 19.12.2012 wherein detailed guidelines for renewal of pending leases have been issued. While reiterating the instructions once again, the following have also been emphasized and a special drive to renew leases has been launched by each Directorate/field office:

(a) DEO/CEOs were asked to update the list of expired leases and intimate the ex-lessee/lessees about the requirement for renewal of leases and submission of documents.

(b) DEO/CEOs were directed to process such cases for determination of lease where no documents have been forthcoming for renewal of lease within the prescribed time.

(c) Strict monitoring by each Directorate and to submit 06 monthly report to DGDE about progress made.

(d) Cases of leases which are going to expire will be taken up for renewal or determination, as the case may be, six months in advance.

Where ever lessees have not applied for renewal of leases or where there are major breaches of lease conditions, the DEOs have initiated the proposals for determination of the lease.

(iii). The Ministry will bring out a comprehensive policy for renewal of leases which will address all the difficulties encountered and system deficiencies noticed, within 6 months. Salient features of the proposed policy will be intimated to the PAC in due course."

20. The Committee are dismayed to note that despite efforts made by the field officers in obtaining requisite documents from the lessees to renew leases, the results have not been encouraging. Moreover, the Committee are disturbed to note that the Ministry did not formulate a comprehensive policy for renewal of leases within six months of the presentation of their 89th Report. This is yet another manifestation of the Ministry's continued lackadaisical approach in tackling the issues and problems of dismal state of management of leases of Defence lands. The Committee are of the view that in the absence of a comprehensive policy for management and renewal of leases of Defence lands, the systemic deficiencies and difficulties witnessed will not be addressed properly. This may create serious problems and further complicate the matter. The Committee, therefore, would like to reiterate their earlier recommendation and urge the Government to make all out efforts to bring out a policy with regard to management and renewal of Defence lands without any further delay under intimation to the Committee.

VI. Irregularity in Management of Old Grant Sites
(Recommendation Para No. 12)

21. The Committee had noted that the largesse extended by the colonial power had continued even after independence and worse, the Old Grant Bungalow Site (OGBs) were allowed to be kept with some civilians. The mis-management of such Bungalows has led to loss of Government revenue apart from entanglement of Government in lots of avoidable litigations. The Committee had also noted that the Land Policy of 1982 and the Revised Land Policy of 1995 have provisions for dealing with such sites and resuming/leasing of such OGBS by the Government, and no alteration of any kind are allowed on such sites. However, the Committee had found large number of unauthorized constructions, unauthorized sale/transfer are happening right under the nose of the DEOs concerned. The Committee had also observed that various educational institutions are being run illegally, thereby flouting all norms relating to the management of OGBs and exposing apparent collusion between vested interests and the concerned authorities. The Committee had sought reasons as to why 92 cases of resumption involving 288.63 acres of land referred to the Ministry were pending of sanction. The Committee had further expressed their desire to have a complete status paper of all such OGBs, the land area, the properties resumed and the properties awaiting sanction for more than three months. Observing that there had been obvious dereliction of duty by DEOs and LMAs in not ensuring strict compliance of the policy directives, the Committee had recommended stringent disciplinary action against such Officers and the Committee apprised. The Committee had also desired that all such sites should be resumed and utilized exclusive for Defence Officers/Staff, within a defined period of time and earnest and focused efforts should be made to free the Bungalow Sites from litigations at the earliest. Regarding the educational institutes, the Committee had desired that these may be allowed to continue if they cater exclusively to the wards of Defence and Ex-Defence personnel and if not, then the revenue generated from such institutes should be deposited into the Government account, with proper monitoring by the concerned authorities.

22. The Ministry in their Action Taken Notes have submitted as under:

"(i) In the context of the observation of the PAC relating to continuance of largesse to certain civilians, it is submitted that sites for OGBs were

historically allotted to service men, doctors and civilians under GGO 179 of 1836 for undertaking buildings on the sites. The grantees were only given occupancy rights whereas ownership of the land remained with the Government which had the power to resume the land. Very often structures built on the land were taken on hire for Defence /public purpose. Besides, several Civilians who hold occupancy rights on Old Grant (OG) sites, have been living in Cantonments over generations and their requirements cannot be ignored. Further, a distinction is also required to be made between land held on OG terms in Bungalow areas and land held on OG terms in notified civil areas and Bazaar areas of Cantonments. Most of the old grant sites i.e. 46,500 are in Civil/Bazaar areas. These cover an area of 1359 acres and hence the average size of these sites is 0.029 acres or 1200 sq feet only. Most of the HORs in this case, cannot be said to be enjoying any largesse and have been settled in Cantonments to provide services to the Military population. Here the focus was to convert these OG sites to freehold. On the other hand in the Bungalow area there are 3000 OGB sites covering 6178 acres (average 2.06 acres). The policy in bungalow areas is to gradually resume OG sites. However, as Civilians have been in occupation of these Bungalows resumption has to be calibrated and need based and should follow the priority laid down in the relevant policy.

(ii) As regards the observation of the Committee that mismanagement of OGBs has caused loss of revenue the following is submitted:

(a) In civil areas OG sites are to be converted into free hold if the land is not required for Defence purposes and the LMA gives NOC for the same. Conversion to free hold would earn the Government revenue. However, LMAs/AHQ have not been forthcoming with NOCs on the plea that conversion will lead to a spurt in construction which will affect the Military character of Cantonments. As a result conversion of OG sites to free hold and resultant revenues have not materialized.

(b) Unauthorised use of OGBs for commercial activities, deprive the Government/Cantonment Board of property taxes at the higher Commercial rates. DGDE, has however, intimated that it has instructed CEOs to collect property tax on commercial basis in all such cases without prejudice to its right to take action for unauthorized use of OGBs.

(iii) On the observation relating to litigations, it is submitted that this is a result of HORs of sites invariably taking recourse to litigation whenever action to resume sites is initiated. Courts are also approached whenever action is initiated against unauthorized occupation/use of OG sites and for unauthorized construction. Litigation in such matters are beyond the control of Defence Estates authorities. All attempts are, however, made to defend the interest of Government in the Courts of law.

(iv) As regards unauthorized construction in violation of restrictions placed on alteration of Bungalows, it is stated that action against unauthorized construction is taken under the provisions of the Cantonment Act and the PPE Act. However, such action is invariably challenged before appellate authorities and in Courts of law and stay orders obtained. Actual removal of unauthorized construction is, therefore, a protracted process. It is also submitted that the land policy of 1995 provides for regularization of past cases of unauthorized construction provided the same is within 10% of existing floor space and is as per rules, bye-laws etc. Resumption action and action under the PPE Act in case of OGBs being used as Educational Institutions have been initiated. These have, however, not progressed due to intervention of Courts. In all the cases of unauthorized construction and unauthorized use of OGBs cited in the CAG's Performance audit report, action under the law has been initiated by the Defence Estate Officials.

(v) It is further submitted that sale/transfer of occupancy rights is not prohibited under the rules but restrictions have been placed on such transfers. In Bungalow areas transfer invariably requires prior permission of the Government and the concurrence of the LMAs. As LMAs often object to transfer of occupancy rights and obtaining Government approval takes time, in several cases HORs have transferred occupancy rights without the permission of Government. Such transfers, however, may not become known to the Defence Estates authorities until the concerned parties disclose the same while seeking ex-post facto approval for the transfer. A policy for regulating transfers of occupancy rights is presently under consideration.

(vi) As regards resumption of OGBs it is submitted that OGBs are resumed from time to time based on the requirement projected by the Army and in terms of the policy letter of Ministry of Defence dated 18.6.1982. It may be noted that in 2002 resumption of 57 OGBs in Jalandhar Cantonment was sanctioned by the Government. The case of the resumptee owners were taken with the then RM by public representatives. It was, therefore, decided to examine the issues involved. After examination MoD issued fresh instructions vide ID No. 23(2)/2003/D(Q&C) dated 07th July 2003 which stipulated that resumption of OGBs at a location should be taken up only after ascertaining that there are no other vacant lands inside or in the vicinity of Cantonment and that the requirement for KLP has been determined in totality. DGDE has intimated that in all the cases referred to it including the 92 cases referred by the PAC, it had asked the concerned DEOs to ensure that the instructions of MoD of 2003 are complied with. AHQ has however, been projecting the need for early approval of resumption in all the cases referred to the Ministry by them. A meeting was, therefore, held by the MoD wherein DGDE was asked to forward all cases of resumption of Bungalows under hiring, in dilapidated condition and of vacant sites straight away. With regard to other proposals DGDE was asked to submit a detailed time table for processing these cases. DGDE was also advised to circulate detailed guidelines to its field units for expediting recommendations on all pending proposals. It is submitted that in the last Financial year and the current year orders for resumption of 17 OGBs have been issued by the Ministry.

(vii) It is submitted that while the recommendations of the PAC with regard to resumption of OGBs will be implemented in the right spirit, resorting to large scale resumption is not feasible as many Civilians have been residing in these OGBs for generations. If sites held by these Civilians are to be resumed then as per extant instructions they have to be given alternate land. DGDE has also brought out the difficulties in issuing resumption notices as in many cases the recorded HORs have either expired or have transferred their rights to others. In the absence of recorded HORs, it takes time for the DEOs to ascertain the bonafide occupiers who may be served such notices. In many OGBs, the process of resumption is held up due to title or legal disputes. DGDE has, however provided a list of over 250 cases where resumption has either been completed or is sub-judice. DGDE has therefore, contended that delays are not attributable to any collusion by the DEOs or their staff. It has been pointed out that on the contrary, DGDE has proposed that OGBs be gradually resumed and resumtee owners be offered smaller plots on lease basis.

(viii) As regards Educational institutes located in OGBs, the recommendation of the PAC that these be allowed to continue provided that the institutions were meant for children of service men and ex-servicemen, it is submitted that a comprehensive study of all such institutions would be needed before the recommendation can be implemented.

(ix) In the context of the observations and recommendations of the PAC the Ministry has decided to take the following actions:

- a. MoD would take action for resuming OGBs based on the need of the Defence forces in terms of extant land policies.
- b. DGDE has been asked to furnish a complete status paper on all OGBs covering aspects such as area of land, name of recorded HOR and actual occupier, unauthorized construction if any, division of site if any, nature of use of site and bungalow etc within 3 months to the Ministry.
- c. DGDE has been instructed to undertake a comprehensive study of educational institutions being run in OGBs and make recommendations with regard their continued functioning or otherwise.
- d. DGDE has been asked to submit a status report within 1 month on all pending cases of resumption of OGBs with a definite time table for completing resumption action."

23. The Committee are unhappy that the Ministry, except promising action and issuing instructions to DGDE, have failed to take concrete action to do away the irregularities in the management of Old Grants Sites of Defence land

which had led to loss of Government revenue apart from entanglement of Government in lots of avoidable litigations. There can be no justification for continuation of such irregularities for a prolonged period dating back to pre-independence period. Not only the Ministry have failed to furnish a complete status paper of all OGBs where unauthorised constructions/sale/transfer are happening, but also defended the obvious dereliction of duty by DEOs without whose complicity the much publicised large scale and prolonged irregularities in management of Old Grant Sites would not have been possible. While deploring such lack of promptitude on the part of the Ministry in tackling the problem, the Committee reiterate that the Ministry should furnish without further delay a complete status paper of all OGBs where irregularities are happening *inter-alia* detailing the land area, the properties resumed and the properties awaiting sanction for more than 3 months. Further, stringent disciplinary action should be taken against the errant DEOs and LMAs as well as officials concerned in the Ministry who failed to ensure strict compliance of the policy directives. The Committee also desire that all such sites should be resumed and utilised exclusively for Defence Officers/Staff within a defined period of time. Besides earnest and focused efforts should be made to free the Bungalow Sites from litigations at the earliest. Regarding the educational institutes, the Committee desire that these may be allowed to continue if they cater exclusively to the wards of Defence and Ex-Defence personnel and if not, then the revenue generated from such institutes should be deposited into the Government account, with proper monitoring by the concerned authorities. The outcome of the steps taken or proposed to be taken by the Government should be intimated to the Committee.

CHAPTER II

Observations/Recommendations which have been accepted by the Government

Observation/Recommendation Para No. 1

INTRODUCTORY:

The holding of all the Defence lands in the country rests under the titular ownership of the Ministry of Defence, with the apex level land management resting with the Directorate General of Defence Estates (DGDE). The DGDE offices at six Army Commands spread across the country are headed by six Principal Directors/Directors Defence Estates (PDDEs/DDEs). At the circle level, 40 Defence Estates Officers (DEOs)/Assistant Defence Estate Officers (ADEOs) are responsible for maintaining land records and land management, both inside and outside the Cantonments. Taking note of the persistent misuse of Defence lands, the C&AG decided to conduct a performance audit in the Ministry of Defence, office of the DGDE, all six PDDEs/DDEs at Command level, 20 selected DEOs at circle level, all the three Services HQs, all six Command HQs of Army, 28 Station HQs of Army, two Air Commands (HQ Western Command Delhi and HQ Training Command Bangalore), four Air Force Stations (Hindon, Palam, Yelahanka and Hyderabad) and two Naval Commands (Mumbai and Kochi), covering a period of five years from 2004-05 to 2008-09. The Audit scrutiny centered around broadly on (i) Lacunae in application of land norms (ii) Variations in records of actual land holdings (iii) Computerization of Defence Land Records (iv) Mutation of Defence land (v) Non-utilization/underutilization of acquired land (vi) Commercial use of land (vii) Encroachment on Defence land (viii) Unauthorized use of Defence land for Golf and other activities (ix) Defence land being used for schools (x) Unauthorized use of Defence land for parks and clubs (xi) Payment of compensation (xii) Dismal state of management of leases (xiii) Cases of delay in renewal of leases (xiv) Irregularities in management of Old Grant sites. The Committee's observations and recommendations after examination of the subject are detailed in the succeeding paragraphs.

**(Sl. No.-1; Para-1 of the Eighty-Ninth
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken

The ownership of all defence lands in the country vests with Ministry of Defence (MoD). The management of defence land is carried out under the provisions of the Cantonments Act 2006, the Cantonment Land Administration Rules (CLAR) 1937, the Cantonment Property Rules 1925, the Acquisition Control and Relinquishment Rules (ACR) 1944 and a number of Government instructions issued from time to time. The existing statutory and policy framework in this regard provides for entrusting the custody, control & management of defence land upon the user authorities i.e. the Services, Defence Establishments viz Ordnance Factory Board (OFB), Defence Research and Development Organization (DRDO), Director General of Quality Assurance (DGQA), Directorate of Standardisation (DOS) and Director

General of Defence Estates (DGDE). Defence land placed under the direct control of DGDE is managed by the Cantonment Boards and Defence Estates Officers (DEOs). DGDE is in addition the custodian of all defence land records and advises the Government on all matters related to Defence land. The Ministry has been continually engaged in making further improvements in management of Defence land and undertaking corrective measures based on recommendations of Comptroller and Auditor General of India (C&AG) and Parliamentary Committees. The Ministry has provided comprehensive inputs and detailed action taken to the PAC on C&AG's Performance Audit Report No. 35 of 2010-11 on Defence Estates Management.

(Deepak Anurag)
Joint Secretary (C&W)

(Ministry of Defence O.M. No 13014/1/2011/D(Lands)/Vol-III dated July 2015)

Observation/Recommendation No. 2

LACUNAE IN APPLICATION OF LAND NORMS:

The Committee are dismayed to note that despite revising the norms over the years i.e. in 1972, 1991 and 1992, the Ministry repeatedly faltered in applying the norms for proper and judicious management of the lands at its disposal. The Ministry in their submission to the Committee categorically stated that no Defence land is to be declared surplus and the lands that are seemingly vacant or unused are actually reserved for present expansion and future needs of the Forces. The continuous holding of excess land, want of proper management and effective vigil over such vast tracts of uninhabited land is fraught with risks of encroachment and land grab. Further, the Committee are of the considered opinion that want of effective institutional mechanism and stringent regulatory procedures, precious Defence lands are bound to be encroached upon, come under adverse possession or surreptitious transfer as reported in the Sukhna and Kandivali land transfers. In order to protect the precious Defence lands from the preying eyes of the land mafia and to ensure that the officers are not unwittingly embroiled in such avoidable controversies, the Committee strongly and unreservedly feel that the entire ambit of Defence lands record keeping, mutation, sale, transfer, lease, etc., should be bestowed upon the DGDE so as to ensure accountability, transparency and judicious use of Defence lands. Further, the Committee, while appreciating the need for having sufficient lands for training as well as future needs of the Armed Forces, recommend that the whole issue of the requirement of land by the Forces be revisited in its entirety so that the land is put to optimum use by the Forces and the surplus land so identified be earmarked for other housing and developmental activities of the Armed Forces, that this analysis and recommendation therein should be completed within a period of one year since the presentation of this report to the Parliament.

**(Sl. No.-1; Para-2 of the Eighty-Ninth
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken

The responsibility for planning and utilization of land in both existing and new stations, by adhering to Zonal Plans/Key Location Plans, devolves on the Local Military Authorities (LMAs). LMAs are required to prepare the Key Location Plan (KLP) based on the provisions of land norms promulgated by the MoD and keeping in view operational/security considerations.

2. The present land norms policy letter was issued by the Ministry in 1991 after revising land norms given in the Hand-book of 1947, wherein a 41.8% cut has been imposed on the 1947 land norms. While providing a reply to the related Audit observation contained in C&AG's Performance Audit Report No. 35, it was explained that the contention of the Audit that the cut of 41.8% should have been applied to all Stations retrospectively and not to the Stations where the land was being acquired after 1972 was not reasonable. If the same cut is applied retrospectively to the Stations in existence prior to 1972, then it would entail demolition and re-construction of existing structures and other external services so as to accommodate assets in a reduced area. This would involve massive expenditure and would also damage/affect structures with historical and archaeological value. Besides there is a requirement of keeping accommodation well dispersed so as to avoid heavy collateral damages in time of war when Cantonments/Military Stations will be the first line of target for any enemy action.

3. It is pertinent to point out that each and every piece of land held by the Armed forces has planned usage to meet Key Location Plan (KLP), Ammunition storage, training requirements, operational mobilization and other strategic and operational needs of the Armed Forces. Taking into account all the requirements, Armed Forces have projected that they are actually deficient of land to plan and construct various projects required for national security and the defence of the country. Defence land remain vacant and may appear to be surplus as construction of Key Location Plans (KLPs) assets and infrastructure projects are taken up based on availability of funds and the capacity of the Military construction agencies. Land which appears to be excess now are all earmarked for specific uses. AHQ has however, intimated that it has instructed all LMAs to carry out an internal exercise to assess all A-1/Analogous to A-1 defence land under their management in order to ensure optimum utilization of these lands for military purposes.

4. As regards the observation of PAC that holding of excess land makes the land vulnerable to encroachment and land grab for want of proper management and vigil it is submitted that instructions for protecting Defence land and preventing encroachments are in vogue. As a result most cases of encroachment are old and encroachment of new land is very limited. With respect to cases like 'Sukna' or 'Kandivili', it is clarified that the lands involved in these cases were not defence lands. Ministry of Defence has however, issued instructions vide MoD letter No.11015/1/2011/D(Lands) dated 02.06.2011(**Annexure X**) to ensure that irrespective of the title, land under occupation of defence authorities for long, should not be ceded without obtaining prior approval of the Government.

5. As far as the recommendation of Committee that the entire ambit of defence lands record keeping, mutation, sale, transfer, lease etc. should be bestowed upon the DGDE; it is submitted that DGDE already has full responsibility for Defence lands record keeping and is the agency handling cases of mutation, sale, transfer, lease etc in consultation with Military authorities and with the approval of the Government as

required. It is also stated that as per extant instructions approval of the cabinet is required for all cases of transfer/alienation of Defence lands including sale and lease of land.

6.. However, in the light of the observations and recommendations of the PAC and keeping in view the rapidly escalating pressure on land and increased complexities and cost of fresh land acquisition under the newly enacted Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 a review of land norms and of utilisation of current land has been instituted by the Government. A Committee has accordingly been constituted with the following terms of reference:

- a. Analyse existing land norms and recommend revised norms for various KLP Units and other requirements giving full justification.
- b. Frame norms for land requirement for special purposes so that number of items where land requirement is to be fixed on a case to case basis is reduced to a minimum.
- c. Study utilisation of existing defence land and suggest measures to optimise use of land at existing stations.

7. The above mentioned Committee has been set up on 24.09.2014. PAC is requested to give 12 months from this date for finalizing the above exercise.

(Deepak Anurag)
Joint Secretary (C&W)

(Ministry of Defence O.M. No 13014/1/2011/D(Lands)/Vol-III dated July 2015)

Observation/Recommendation Para No. 3

VARIATIONS IN RECORDS OF ACTUAL LAND HOLDINGS:

The Committee are deeply concerned with the large scale discrepancies found between the figures of A-1 lands furnished by the Local Military Authorities (LMAs) and the Defence Estates Officers (DEOs) who keep the records in General Land Register (GLR) and Military Land Register (MLR). The Committee also find that out of 25 stations in four Army Commands, between the LMAs and DEOs, the land area in the records of LMAs in respect of nine stations was higher by 12769.86 acres i.e., 46.9% and in the remaining 16 stations less by 9,427.77 acres i.e., 23.36%. The Committee are unable to accept the explanation furnished by the Ministry that discrepancies between the records of LMAs and DEOs could be due to occupying units move-out & new units move-in without the knowledge of the DEOs and possibly without proper handing/taking over of land records between themselves. The Committee views both DEOs and LMAs responsible for inept handling of valuable land records, failure to conduct regular inspections and reconciliation of land record. The Committee, therefore, recommend that the Ministry take immediate steps to make it mandatory for DEOs to periodically inspect the land records maintained by

the LMAs and take swift and stringent corrective measures. Taking serious note of the wide discrepancies ranging up to 46.9 per cent in land records, the Committee further recommend that the comprehensive survey of all Defence lands be completed within a definite time period and the Committee apprised. The Committee also recommend that an effective E-system be also created expeditiously by which the records maintained by LMAs are integrated and the data shared on real-time basis with the DEOs/DGDE/Ministry.

**(Sl. No.-1; Para-3 of the Eighty-Ninth
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken

With respect to the observations of the PAC the Ministry would like to reiterate that Land records are maintained by the Defence Estates Officer (DEO) as a custodian of land records, as a statutory requirement under Cantonment Land Administration Rules, 1937 (CLAR) for land inside Cantonments and under ACR Rules, 1944 for land outside Cantonments. Land records maintained by the LMAs are only internal records to enable them to manage lands under their custody.

2. The Ministry would like to submit that in terms of provisions of sub-rule (3) of Rule 13 of CLAR 1937 DEO is required to submit a certificate duly countersigned by the Station Commander, as to the correctness of plans and schedules of Class A land. Likewise ACR Rules also require that DEO/Land managing agency is required to give a certificate each year that 20% of land holding has been inspected and that there are no encroachments found. The discrepancies reported by Audit could not be addressed as certificates required by the CLAR and ACR rules were not being furnished by LMAs and DEOs. DGDE has intimated that it has instructed DEOs and CEOs to issue the necessary annual certificates **(Annexure-Y)**. Service HQrs are also being advised to ensure that LMAs issue the necessary certificates. This will ensure that discrepancies in records are addressed.

3. It is further brought to the notice of the Committee that to ensure reconciliation of defence land records with actual land holding on ground physical survey of entire defence land has been undertaken by the Defence Estates Department under a project sanctioned by the Ministry of Defence in 2011. The survey work outside Cantonments was to be carried out by DEOs in phases. Nearly 91% of the overall survey work has been completed by 30.06.2014. The remaining survey work will be completed soon. Necessary, survey reports will be submitted by the DEOs by 31.12.2014. The survey work inside Cantonments is being carried out by the Cantonment Boards with the help of professional institutions. Survey of lands inside Cantonments is also expected to be completed by 31.12.2014. DGDE has planned survey and reconciliation of Defence land as a continuing activity and all Defence lands are proposed to be surveyed every three years from the year 2015-16 onwards. This will result in regular physical inspection of defence lands and their reconciliation with land records. An SOP is also being formulated in this regard. For this purpose staffs are being regularly sent for training in survey techniques to reputed institutes. The above action would ensure

compliance with the recommendation of the PAC for undertaking a comprehensive survey of all Defence lands within a definite time period.

4. In addition to the above Army HQrs has also intimated that it has already ordered an internal assessment of A-1/Analogous to A-1 defence land holding by LMAs after physical verification in concert with DEO and state revenue department. HQ Commands have been advised to take following necessary action:-

- (d) To streamline the land records of A-1/Analogous to A-1 Defence land under their management.
- (e) Conduct regular inspection of land holdings.
- (f) Reconcile land records with those held with DEO as per Raksha Bhoomi CD and extend all cooperation to DEO for reconciliation of these records.

5. With respect to recommendations of the PAC for creation of an effective E-system by which the records maintained by LMAs are integrated and the data shared on real-time basis with the DEOs/DGDE/Ministry it is submitted that integration of data held by DGDE with that of LMA is possible only if data is held by the LMA in electronic form and with a compatible data structure. Further, integrating databases of DGDE with that of the Services online will have security implications. As such the Ministry is of the opinion that the present practice of providing data in CDs to the LMAs may be continued and update patches may be provided by DGDE to them from time to time.

6. Further to address the concerns and recommendations of the PAC the Ministry has asked DGDE to take the following actions:

- i. Carry out a one-time exercise of reconciliation of records of A-1/analogous to A-1 lands held by them with the records held by the Local Military Authorities (LMAs). DGDE has been asked to complete this exercise within 4 months and submit its findings to the Ministry.
- ii. Undertake a periodic reconciliation of their records with that of the LMAs along with periodic survey planned of all defence lands every 3 years.
- iii. Instruct DEOs to extend all support to the Army in the internal assessment/audit being undertaken by them which also includes reconciliation of records.
- iv. Provide electronic land records to the Services and update these at regular intervals.

7. In addition Services have been asked to extend all cooperation to DGDE for undertaking both the one time reconciliation and subsequent periodic reconciliation exercises. They will also be advised to provide inspection certificates annually as required under CLAR and ACR 1944.

(Deepak Anurag)
Joint Secretary (C&W)

Observation/Recommendation No. 5

MUTATION OF DEFENCE LAND:

The Committee find that a large area of acquired land awaits mutation for a period ranging from 1 year to 60 years. The Ministry in their written submissions to the Committee highlighted the facts that the mutation is to be carried out by State Government authorities and most of the acquired lands have not been mutated in favor of the Ministry as a result of which considerable Defence lands have been encroached upon by private persons and State Governments. The Committee note with concern the casual approach of the DEOs to an important issue like mutation of Defence Land. It seems no serious initiatives have been taken to expedite the mutation of land in the Ministry's name in order to ensure their title and ownership of the land. The Committee therefore urge that time bound steps should be taken to complete the process urgently. Regular meetings should take place with senior officers of the State Governments at regular intervals in order to fast track the process. The Committee would like to have state-wise details of such land as on 31.03.2009 and the results of the mutation drive as on 31.03.2013 within six months of the presentation of this Report.

**(Sl. No.-1; Para-5 of the Eighty-Ninth
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken

The Ministry would like to reiterate that mutation of defence land in the revenue records is required to be carried out by State Government authorities. The DGDE and the Ministry of Defence has been regularly taking up the issue with State Government authorities at various levels including at the level of DEOs, PDsDE and DGDE. They have been requested for passing instructions to the Revenue authorities under their jurisdiction for effecting mutation in respect of defence land in the Revenue Records. Bulk of the non-mutated lands are ex-State Forces lands vested in or transferred to the Central Government under Articles 294, 295 & 296 of the Constitution and land acquired under the Land Acquisition Act. The procedure for mutation is cumbersome and time consuming as each case is required to be taken up separately with the respective State revenue authorities. The requisite documents for effecting mutation have been painstakingly collected by various DEOs and have been made available to the State Governments. DEOs have been pursuing this matter vigorously with the revenue authorities. Getting defence land mutated in revenue records is a continuous process and efforts made by DEOs have resulted in significant progress in the matter. The state-wise details regarding mutation of defence land as on 31.03.2009 and 31.03.2013 is reflected as **Annexure 'A'** to this report. It would be seen that during this period 3.9 lakh acres of land has been mutated. Out of the total defence land about 78.63% land has already been mutated in the revenue records of the State Governments concerned.

2. To expedite the process of mutation, the matter is regularly and consistently taken up by the Defence Estates Department with the State Governments concerned. DGDE has taken up the matter with the State Governments from time to time and has reiterated to his Principal Directors in all the Commands the need for early

mutation of defence land in civil revenue records. In this regard, copies of DGDE letter No.738/50/L/DE/NC/2011 dated 29th June 2012 and D.O. letters dated 03rd October 2011 are also enclosed for reference (**Annexures-A₃ A₄ & A₅**). In addition, the Principal Directors, DE of various Commands have taken up the matter with the Chief Secretaries of various States regularly to impress upon this important aspect of defence land management on the civil authorities. In this regard D.O. letters of PDDE, Central Command/ Northern Command dated 20th October 2011 to the Chief Secretary of Uttar Pradesh and 10th February 2011 to the Chief Secretary of J&K are also enclosed(**Annexures-A₆ & A₇**). In addition, recent correspondences made by the DE authorities in this respect are enclosed for ready reference: -

- i) Minutes of Civil Military Liaison Conference held at HQ South Western Command, Jaipur on 29.09.2011 wherein at point No.39 the State Govt. of Rajasthan agreed to mutate defence lands at the earliest (**Annexure-A₈**).
- ii) Principal Director, DE, Northern Command, Jammu letter dated 19.07.2012 to the Revenue Secretary, Govt. of J&K (**Annexure-A₉**).
- iii) DO letters dated 04.09.2013 from Director, DE, Central Command, Lucknow to the Revenue Secretary, Govt. of Madhya Pradesh, Commissioner cum Secretary (Revenue & Disaster Management), Govt. of Orissa, Principal Secretary, Dept of Revenue, Govt. of Bihar, Principal Secretary, Dept of Revenue, Govt. of Jharkhand, Commissioner Land Records, Government of Chhattisgarh (**Annexures-A₁₀ A₁₁ A₁₂ A₁₃ & A₁₄**).
- iv) Director, DE, DO letters dated 28.10.2011 to the Chief Secretaries, Governments of Sikkim, Manipur, Assam, Meghalaya, Nagaland and West Bengal (**Annexures-A₁₅ A₁₆ A₁₇ A₁₈ A₁₉ & A₂₀**).

3. In the past the issue of non-mutation has also been taken up at the level of the Minister of State who has written to the CMs of Goa and J&K on this issue. Copies of D.O. letters to the Chief Ministers are enclosed for ready reference (**Annexures-A₁ & A₂**). Recently in September 2014, Additional Secretary in the Ministry of Defence has written to all Chief Secretaries to undertake mutation of Defence land on priority.

4. The above references are not exhaustive and are intended to provide a glimpse of efforts being made by the Defence Estates Organization to get the mutation of defence land done in civil revenue records and the importance attached to this matter. It is also pointed out that whenever senior officers of the Defence Estates Department meet functionaries of the State Governments, the issue of non-mutation of Defence land is invariably raised and discussed. The Ministry would, therefore, like to assure the PAC of its full commitment for addressing the issue of non-mutation of Defence land in Revenue records.

(Deepak Anurag)
Joint Secretary (C&W)

Observation/Recommendation Para No. 6

DISCONTINUANCE OF LAND AUDIT BY DGDE:

The Committee find that the internal audit mechanism of Land Audit was discontinued by the DGDE after its first audit report, which brought out many irregularities in the management of Defence lands, obviously due to the objections raised by the Army Head Quarter. They also observe that the Quarter Master General (QMG) suggested amendments to the land rules. The QMG also recommended that a land audit authority presided by a Service Officer should be constituted for carrying out the audit. Taking note of the fact that Land Audit has been resumed and is being conducted by the DGDE, the Committee desire to know whether the concerns and suggestions of the Army have been considered and whether any subsequent amendments in the land rules and changes in the composition of the land audit authority have been made. Further, the Committee recommend conduct of regular annual land audit and the result of the latest audit be furnished to them within three months of the presentation of this report and the position also reflected in the Annual Report of the Ministry submitted to Parliament annually.

**(Sl. No.-1; Para-6 of the Eighty-Ninth
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken

The Ministry would like to submit with regard to the observations of the PAC on Land Audit that it has issued orders for land Audit by DGDE vide Ministry of Defence letter No. 723/A/4/L/DE/2011/448/DO(N)/ D(Lands)/2011 dated 18.04.2011 (**Annexure-B**). Since then, land audit has been carried out in all the 37 DEO Circles. In subsequent audits DGDE plans to cover all DEO circles once in 3 years. Reports of Audit for 20 DEO circles covered in the 1st two phases have been submitted. Executive Summaries of these reports are enclosed (**Annexure-C&D**).

2. The Committee has desired to know whether the concerns and suggestions of the Army have been considered and whether any subsequent amendments in the land (audit) rules and changes in the composition of the land audit authority have been made. In this connection it is submitted that AHQ vide their note dated 30th August 2011 had inter-alia, suggested the following:

(a) Land audit relating to aspects managed and controlled by Services in r/o A-1 defence land be conducted by joint teams comprising of Service officers and reps of DGDE while audit of all other aspects managed and controlled by DGDE be conducted by the teams comprising of service officers, reps of DGDE and CGDA.

(b) Land audit cell may be set up under HQ, IDS, which can independently and objectively evaluate and analyse the audit reports and forward meaningful recommendations to the Government for implementation.

(c) CAG recommendations with regard to constitution of a Board for management of Defence land, amendment of land rules and regulations for speedy disposal of

cases and better utilisation of land, updating and computerisation of land record, survey, demarcation and protection of defence land, improvement in procedures for removal of encroachment and speedy mutation of land in favour of MoD, may be considered for implementation in a time bound manner.

3. Subsequently other suggestions were also made by AHQ such as defining priority for taking up audit of DEO circles, working out detailed audit plan in consultation with user's and prescription of time lines for finalising action taken reports based on accepted audit report.

4. After taking into account the comments of DGDE on the suggestions of AHQ the Ministry has arrived at a conclusion that entrusting the audit of Defence land to service personnel who are the users and managers of most of the Defence land, would not make the exercise objective. It was therefore decided that the responsibility of audit should continue to be entrusted to DGDE. To make audit objective, DGDE has been advised that audit teams should be chosen from other circles which should report directly to DGDE Hqrs. In addition the following decisions have also been taken:

i) Users/services (auditee) should be closely involved with the audit by associating them at the planning stage, and by sharing audit findings and observations at all stages to elicit feedback and explanations.

ii) DGDE must provide a draft of the final report to the Service HQrs for comments and take these into account before submitting a final report to the MoD.

iii) DGDE should formulate a SOP for associating the users/services at various stages of the audit and submit the same to the Ministry at the earliest.

v) DGDE should make suggestions for modifying terms of reference of the audit based on its experience of audits conducted thus far.

5. Important findings of Land Audit would be considered for inclusion from the Annual Report of 2015-16 onwards.

(Deepak Anurag)
Joint Secretary (C&W)

(Ministry of Defence O.M. No 13014/1/2011/D(Lands)/Vol-III dated July 2015)

Observation/Recommendation Para No. 8

ENCROACHMENT ON DEFENCE LAND:

The Committee are deeply dismayed to note the unabated encroachments on Defence land despite the repeated wake up calls given by the constitutional auditor. Worse, non-mutation of land records and non-utilization of vast tracts of Defence lands only encouraged encroachment of Defence land which have increased from 6,903 acres in January 1997 to 14,539.38 acres in July, 2009. The Committee

observe that the existence of multiple authorities like the DGDE and the LMAs that look after management of Defence lands, have only exacerbated the situation for want of clear demarcation of responsibility. The Committee, therefore, recommend creation of a single unified authority, which shall look into management and protection of Defence lands, fast-track the recovery of encroached lands and shall also be responsible for monitoring & supervision of all field offices entrusted with the responsibility to manage Defence lands and property.

**(Sl. No.-1; Para-8 of the Eighty-Ninth
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken

It is submitted that as per data collected the total extent of land under encroachment as on 31.3.2013, was 11,456 acres. Details of land area under encroachment for different land management agencies are as follows:

Sl. No.	Name of Land Management Agency	Area Under Encroachment in Acres
1	DGDE	5007.50885
2	Army	4669.4568
3	Air Force	1191.4505
4	Navy	484.2727
5	D(Production)	77.276
6	DRDO	19.7
7	DGQA	5.75588
8	Dte. of Standardization	0.117
	Total	11455.53773

2. It is stated that most of the encroachments are more than 20 years old. DGDE has stated that of the approximately 5000 acres of land under its management which is encroached, 2496 acres is land held by ex-agricultural lessees and will be taken over after

following due process of law. Around 799 acres are held unauthorizedly by State Governments and other Departments of the Central Government. These encroachments cannot be removed and have to be regularized in consultation with the concerned Departments/Governments.

3. The Ministry would also like to bring to the notice of the Committee that it has issued several instructions for protecting Defence land and for preventing encroachments. It is a result of this that new instances of encroachment are reportedly few. In addition, action against encroachers is taken under the PPE Act and the Cantonment Act. This process though ongoing is slow due to lack of support from local government, resistance from encroachers and litigation initiated by the encroachers. Nevertheless, it is reported that over the last 3 years there has been a reduction in the area under encroachment by 1409.7 acres.

4. With regard to PAC's observation that the existence of multiple authorities like the DGDE and the LMAs that look after management of Defence lands, have only exacerbated the situation for want of clear demarcation of responsibility, it is submitted that MoD's instructions, Cantonment Land Administration Rules and ACR Rules clearly assign the responsibility for management and protection of Defence land and for removal of encroachments to the various land management agencies. Monitoring and supervision of respective field offices is undertaken by Service HQs and by DGDE and overall control is exercised by the Ministry.

5. In the context of the above the Ministry is of the view that a single unified authority would not be necessary. However, to review and monitor actions for prevention and removal of encroachments a Committee has been formed under the Chairmanship of the Additional Secretary, Ministry of Defence and with Joint Secretaries dealing with land matters of Army, Navy and Air Force and representatives of DGDE and other land management agencies as members. The Committee would periodically monitor (quarterly or six-monthly) the status of encroachments, increase/decrease in encroachments, measures taken to fast track recovery of encroached lands and measures for protection of Defence land.

(Deepak Anurag)
Joint Secretary (C&W)

(Ministry of Defence O.M. No 13014/1/2011/D(Lands)/Vol-III dated July 2015)

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 the Government have not been accepted by the Committee and which require reiteration

Observation/Recommendation Para No. 4

COMPUTERISATION OF DEFENCE LAND RECORDS:

The Committee were informed that the computerization of Defence land records under the project "*Raksha Bhoomi*" has been completed. However, the Committee noticed considerable delay in completing the project and the reasons attributed for the delay are (i) incompatibility of the newly purchased hardware with the operating system, which led to procurement of improvised software, (ii) lack of uniformity in the GLRs maintained by DEOs, (iii) shortage of technical staff, (iv) involvement of staff in disposal of other priority work and (v) inordinate delays in mutation process. The Committee observe that the avoidable delay in implementation of the '*Raksha Bhoomi*' project was caused due to lack of effective planning, execution and monitoring, resulting in purchase of inappropriate hardware that was incompatible with the operating system apart from shortage of staff – general and technical, etc. The Committee, therefore, recommend that responsibility be fixed for delay in computerization of Defence lands and stringent action taken against the responsible for incompatible hardware. Also, finding that General Land Registers maintained by the DEOs differ from one State to another, the Committee recommended that uniformity must be maintained to make entries which should be followed by all the DEOs throughout the country without fail and the Committee apprised.

(Sl. No.-1; Para-4 of the Eighty-Ninth
Report of the Public Accounts Committee
(15th Lok Sabha)

Action Taken

The computerization of Defence land records under the project "*Raksha Bhoomi*" was a gigantic task which has been successfully undertaken by the Defence Estates Organization mostly utilizing internal resources. The first version of the Raksha Bhoomi software developed in house for computerization of General Land Registers (GLRs) was released by then RRM on 08.11.2006. Thereafter a project for computerization of records for all Defence lands records was taken up and administrative and expenditure sanction for implementing the project was issued by the ministry on 07.02.2007. As per sanction, the project was to be implemented within 02 years from the date of Government sanction. Subsequently, an upgraded version of Raksha Bhoomi software for Military Land Registers (MLR) was released by RRM on 22.10.2007. The data of entire defence land records in the Raksha Bhoomi(RB) database was thereafter consolidated and provided to all stakeholders during July, 2011. The next version of RB database was released in June, 2012.

2. The delay in implementation of the RB software was mainly on account of data entry problems faced by various offices of DGDE. Therefore, several "patches" had to be released to attend to specific problems faced by various field offices. Further,

training of officers and staff were also undertaken for data entry work, attending to software related issues, verification and authentication of data and security related aspects. This process took time but was unavoidable. It is also submitted that land record management for lands spread across various States/UTs is a complex exercise. Most software projects related to land management result in failures due to the complexities and inaccuracies in land records. The entire defence land records data contained in GLRs and MLRs was successfully computerized by July, 2011 and since then is being used on a day to day basis by all the field offices.

3. As regards the observation of the Committee about the avoidable delay in implementation of the 'Raksha Bhoomi' project and causes for the same it is submitted that as stated above computerization of land records is a complex exercise and the work was being taken up in-house and initial delays were unavoidable. Computerization of defence land records has since been completed and has been put to practical use. The delays were due to several unforeseen reasons and the complexities associated with IT systems being developed for large and complex data.

4. With respect to the observation of PAC that General Land Registers maintained by the DEOs differ from one State to another and its recommendation that uniformity must be maintained to make entries which should be followed by all the DEOs throughout the country it is clarified that the format for GLR is uniform and as per format given in Cantonment Land Administration Rules 1937. This uniform format has been adopted in the RB software.

5. However, as is true for any IT system and computer programme, the Government recognizes the need for upgrading and improving the system based on feedback received from the users. DGDE is in the process of further upgrading Raksha Bhoomi database by undertaking the following:

- (i) Migration of the stand-alone system in various Defence Estates offices to a Central Server for on-line updation and access by users.
- (ii) A secured network is being developed through NIC for providing connectivity to 113 offices across India.
- (iii) User-interface on 'Windows' is being developed to enable users to access 'Raksha Bhoomi' database with ease while the database itself will be in the secured Linux System (CentOS, Red Hat etc.).

(Deepak Anurag)
Joint Secretary (C&W)

Observation/Recommendation Para No. 10

UNAUTHORIZED USE OF DEFENCE LAND FOR PARKS AND CLUBS:

The Committee note that clubs and parks established for the benefit of Defence personnel and their families are exploited by civilians for organizing parties, marriages, exhibitions, etc. Worse, the proceeds from such events are not being credited to the Government account. There are instances of illegal constructions on such parks. The Committee, would like the Ministry of Defence to setup an enquiry in the matter so that all encroachments and prohibited activities are detected and stringent remedial action taken to prevent misuse/abuse of Defence environmental parks/lands and the Committee be apprised.

**(Sl. No.-1; Para-10 of the Eighty-Ninth
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken

The Clubs and Parks on A-1 defence land were being established for the benefit of defence personnel and their families residing in the Cantonments. These facilities are also used by Civilian residents of Cantonments. Several Clubs and institutes have been set up on leased land or OGBs and have existed from the British era.

2. Though no specific case has been cited in the report of the PAC, the position with regard to cases highlighted in the Performance Audit Report of C&AG (i.e. Report No 35) is that in the case of Agra Club action under PPE act has been initiated and in the case of MB Club action for determining the lease has been proposed. The case relating to Royal Western India Turf Club involves a dispute about the area of land covered by the perpetual lease given by Government prior to independence. Some issues are also sub-judice. In the case of Secundrabad Club action taken by DEO under PPE Act has been challenged in Courts and the matter is sub-judice. As regards to the 2 parks mentioned in the Report, it is intimated that the Park in Bangalore has been closed to the Public following audit objections though the same had been used as a Public park since 1996. As regards the park at Bhatinda i.e. Chetak Park, AHQ has intimated that the park was setup as a welfare measure in 1997 for residents of the military station and Ex-servicemen frequenting the Station. The land for various reasons is not suitable for buildings and was kept as an open space. Two regimental shops were set up based on feedback of visitors to the park. As per existing policy 50 % of profits are being deposited in the Government account and the balance is being used for upkeep of the park. Though the park was set up from regimental funds 50% of ticket prices are being deposited in Government Treasury.

3. As regards observation of the Committee that clubs and parks established for the benefit of Defence personnel and their families are exploited by civilians for organizing parties, marriages, exhibitions, etc, AHQ has issued instructions to all the Commands to ensure that Defence lands are being utilised for bonafide military purposes and those stipulated in land norms laid down by the Government and as

stipulated by the extant rules, regulations and Government policies (**Annexure-F**). It has also been advised that stringent action be taken against any misuse/ abuse of defence land in violation of Government policy and necessary action be taken so that such violations do not occur in future. Navy has intimated that no unauthorized use of Defence land has been permitted to set up Clubs/parks at Naval Stations and clubs and parks are being set up as per authorization and no misuse is being permitted.

4. Keeping in view the observations of the PAC instructions are being issued to all Service HQrs not to allow any parks and clubs which are established for the defence personnel to be utilized by unauthorized persons for organizing parties, marriages, exhibitions etc. Copy of the instructions, when issued, will be made available to the PAC as well as Audit.

(Deepak Anurag)
Joint Secretary (C&W)

(Ministry of Defence O.M. No 13014/1/2011/D(Lands)/Vol-III dated July 2015)

Observation/Recommendation Para No. 11

DISMAL STATE OF MANAGEMENT OF LEASES:

The Committee are concerned to note that as of March 2010, 2500 acres of land valuing Rs. 11,033 crore was on lease for an annual rent of Rs. 2.13 crore which is a pittance considering the market value of the land. The Committee are shocked to note that no visible efforts had been made to renew 3780 cases of lease renewal, in 1800 cases no requests were received for lease renewal and in 1081 cases the status of leases was unknown. The Committee deplore the reply of the ministry expressing their inability to fix responsibility due to involvement of multiple authorities. The Committee were however, assured that all these aspects and deficiencies could be addressed in the policy being formulated in this behalf. The Committee, therefore, recommend that the Government bring out the concerned policy within six months of the presentation of this report and apprise them about the salient features of the policy.

**(Sl. No.-1; Para-11 of the Eighty-Ninth
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken

With respect to the observations and recommendations of the PAC it is submitted that 4200 acres of defence land had been given on lease to private parties under the provisions of the Cantonment Codes 1899 and 1912 and the Cantonment Land Administration Rules, 1925 and 1937. These leases were given long time back, and the lease rent and premium (wherever applicable) was fixed at that point of time based on the prevalent land value. There are 2850 leases which have expired and have not been renewed on account of the following difficulties encountered in their timely renewal:

- (f) Non-receipt of renewal application from the lessees.
- (g) Non submission of requisite documents by lessees.
- (h) Violation of lease terms such as:
 - iv. Failure to complete construction of building within the prescribed time as stipulated in the lease deed and/or to obtain sanction of competent authority, for additions/alterations to the building constructed on leased land.
 - v. Sale of leasehold rights and non submission of intimation thereof within the prescribed time period to the competent authority.
 - vi. Change of purpose.
- (i) Non-mutation due to (c) and also on account of disputes amongst legal heirs of ex-lessees and litigation arising therefor.
- (j) Shortage of officers and staff in the DE Organization etc.

2. Despite efforts made by the field officers i.e. DEOs and CEOs in obtaining requisite documents from the lessees to renew leases, results have not been so encouraging. Awareness camps have also been organized in the past at various Cantonments to inform the concerned persons regarding the requirements for renewal of leases and the implications of non-renewal. Instructions have been issued from time to time to the Directorates and to the field offices to progress the cases of lease renewal in a time bound manner. Instructions have already been issued by the DGDE vide their letter No.723/A/3/L/DE/2007 dated 19.12.2012 (**Annexure-'G'**) wherein detailed guidelines for renewal of pending leases have been issued. While reiterating the instructions once again, the following have also been emphasized and a special drive to renew leases has been launched by each Directorate/field office:

- (i) DEO/CEOs were asked to update the list of expired leases and intimate the ex-lessee/lessees about the requirement for renewal of leases and submission of documents.
- (ii) DEO/CEOs were directed to process such cases for determination of lease where no documents have been forthcoming for renewal of lease within the prescribed time.
- (iii) Strict monitoring by each Directorate and to submit 06 monthly report to DGDE about progress made.
- (iv) Cases of leases which are going to expire will be taken up for renewal or determination, as the case may be, six months in advance.

Where ever lessees have not applied for renewal of leases or where there are major breaches of lease conditions, the DEOs have initiated the proposals for determination of the lease.

3. The Ministry will bring out a comprehensive policy for renewal of leases which will address all the difficulties encountered and system deficiencies noticed, within 6

months. Salient features of the proposed policy will be intimated to the PAC in due course.

(Deepak Anurag)
Joint Secretary (C&W)

(Ministry of Defence O.M. No 13014/1/2011/D(Lands)/Vol-III dated July 2015)

Observation/Recommendation Para No. 12

IRREGULARITY IN MANAGEMENT OF OLD GRANT SITES:

The Committee note that the largesse extended by the colonial power has continued even after independence and worse, the Old Grant Bungalow Site (OGBS) were allowed to be kept with some civilians. The mis-management of such Bungalows has led to loss of Government revenue apart from entanglement of Government in lots of avoidable litigations. The Committee note that the Land Policy of 1982 and the Revised Land Policy of 1995 have provisions for dealing with such sites and resuming/leasing of such OGBS by the Government, and no alteration of any kind are allowed on such sites. However, the Committee find large number of unauthorized constructions, unauthorized sale/transfer are happening right under the nose of the DEOs concerned. Also, the Committee observe that various educational institutions are being run illegally, thereby flouting all norms relating to the management of OGBs and exposing apparent collusion between vested interests and the concerned authorities. The Committee seek reasons as to why 92 cases of resumption involving 288.63 acres of land referred to the Ministry are pending of sanction. The Committee would like to have a complete status paper of all such OGBs, the land area, the properties resumed and the properties awaiting sanction for more than three months. Further, the Committee observe that there has been obvious dereliction of duty by DEOs and LMAs in not ensuring strict compliance of the policy directives. They, therefore, recommend stringent disciplinary action against such Officers and the Committee apprised. Further, the committee also desire that all such sites should be resumed and utilized exclusive for Defence Officers/Staff, within a defined period of time. Further, earnest and focused efforts should be made to free the Bungalow Sites from litigations at the earliest. Regarding the educational institutes, the Committee desire that these may be allowed to continue if they cater exclusively to the wards of Defence and Ex-Defence personnel and if not, then the revenue generated from such institutes should be deposited into the Government account, with proper monitoring by the concerned authorities.

**(Sl. No.-1; Para-12 of the Eighty-Ninth
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken

In the context of the observation of the PAC relating to continuance of largesse to certain civilians, it is submitted that sites for OGBs were historically allotted to service men, doctors and civilians under GGO 179 of 1836 for undertaking buildings on the sites. The grantees were only given occupancy rights whereas

ownership of the land remained with the Government which had the power to resume the land. Very often structures built on the land were taken on hire for defence /public purpose. Besides, several Civilians who hold occupancy rights on Old Grant (OG) sites, have been living in Cantonments over generations and their requirements cannot be ignored. Further, a distinction is also required to be made between land held on OG terms in Bungalow areas and land held on OG terms in notified civil areas and Bazaar areas of Cantonments. Most of the old grant sites i.e. 46,500 are in Civil/Bazaar areas. These cover an area of 1359 acres and hence the average size of these sites is 0.029 acres or 1200 sq feet only. Most of the HORs in this case, cannot be said to be enjoying any largesse and have been settled in Cantonments to provide services to the Military population. Here the focus was to convert these OG sites to freehold. On the other hand in the Bungalow area there are 3000 OGB sites covering 6178 acres (average 2.06 acres). The policy in bungalow areas is to gradually resume OG sites. However, as Civilians have been in occupation of these Bungalows resumption has to be calibrated and need based and should follow the priority laid down in the relevant policy.

2. As regards the observation of the Committee that mismanagement of OGBs has caused loss of revenue the following is submitted:

- I. In civil areas OG sites are to be converted into free hold if the land is not required for Defence purposes and the LMA gives NOC for the same. Conversion to free hold would earn the Government revenue. However, LMAs/AHQ have not been forthcoming with NOCs on the plea that conversion will lead to a spurt in construction which will affect the Military character of Cantonments. As a result conversion of OG sites to free hold and resultant revenues have not materialized.
- II. Unauthorized use of OGBs for commercial activities, deprive the Government/Cantonment Board of property taxes at the higher Commercial rates. DGDE, has however, intimated that it has instructed CEOs to collect property tax on commercial basis in all such cases without prejudice to its right to take action for unauthorized use of OGBs.

3. On the observation relating to litigations, it is submitted that this is a result of HORs of sites invariably taking recourse to litigation whenever action to resume sites is initiated. Courts are also approached whenever action is initiated against unauthorized occupation/use of OG sites and for unauthorized construction. Litigation in such matters are beyond the control of Defence Estates authorities. All attempts are, however, made to defend the interest of Government in the Courts of law.

4. As regards unauthorized construction in violation of restrictions placed on alteration of Bungalows, it is stated that action against unauthorized construction is taken under the provisions of the Cantonment Act and the PPE Act. However, such action is invariably challenged before appellate authorities and in Courts of law and stay orders obtained. Actual removal of unauthorized construction is, therefore, a protracted process. It is also submitted that the land policy of 1995 provides for regularization of past cases of unauthorized construction provided the same is within 10% of existing floor space and is as per rules, bye-laws etc. Resumption action and action under the PPE Act in case of OGBs being used as Educational Institutions have been initiated. These have, however, not progressed due to intervention of

Courts. In all the cases of unauthorized construction and unauthorized use of OGBs cited in the CAG's Performance audit report, action under the law has been initiated by the Defence Estate Officials.

5. It is further submitted that sale/transfer of occupancy rights is not prohibited under the rules but restrictions have been placed on such transfers. In Bungalow areas transfer invariably requires prior permission of the Government and the concurrence of the LMAs. As LMAs often object to transfer of occupancy rights and obtaining Government approval takes time, in several cases HORs have transferred occupancy rights without the permission of Government. Such transfers, however, may not become known to the Defence Estates authorities until the concerned parties disclose the same while seeking ex-post facto approval for the transfer. A policy for regulating transfers of occupancy rights is presently under consideration.

6. As regards resumption of OGBs it is submitted that OGBs are resumed from time to time based on the requirement projected by the Army and in terms of the policy letter of Ministry of Defence dated 18.6.1982. It may be noted that in 2002 resumption of 57 OGBs in Jalandhar Cantonment was sanctioned by the Government. The case of the resumptee owners were taken with the then RM by public representatives. It was, therefore, decided to examine the issues involved. After examination MoD issued fresh instructions vide ID No. 23(2)/2003/D(Q&C) dated 07th July 2003 (**Annexure-H**) which stipulated that resumption of OGBs at a location should be taken up only after ascertaining that there are no other vacant lands inside or in the vicinity of Cantonment and that the requirement for KLP has been determined in totality. DGDE has intimated that in all the cases referred to it including the 92 cases referred by the PAC, it had asked the concerned DEOs to ensure that the instructions of MoD of 2003 are complied with. AHQ has however, been projecting the need for early approval of resumption in all the cases referred to the Ministry by them. A meeting was, therefore, held by the MoD wherein DGDE was asked to forward all cases of resumption of Bungalows under hiring, in dilapidated condition and of vacant sites straight away. With regard to other proposals DGDE was asked to submit a detailed time table for processing these cases. DGDE was also advised to circulate detailed guidelines to its field units for expediting recommendations on all pending proposals. It is submitted that in the last Financial year and the current year orders for resumption of 17 OGBs have been issued by the Ministry.

7. It is submitted that while the recommendations of the PAC with regard to resumption of OGBs will be implemented in the right spirit, resorting to large scale resumption is not feasible as many Civilians have been residing in these OGBs for generations. If sites held by these Civilians are to be resumed then as per extant instructions they have to be given alternate land. DGDE has also brought out the difficulties in issuing resumption notices as in many cases the recorded HORs have either expired or have transferred their rights to others. In the absence of recorded HORs, it takes time for the DEOs to ascertain the bonafide occupiers who may be served such notices. In many OGBs, the process of resumption is held up due to title or legal disputes. DGDE has, however provided a list of over 250 cases where resumption has either been completed or is sub-judice. DGDE has therefore, contended that delays are not attributable to any collusion by the DEOs or their staff.

It has been pointed out that on the contrary, DGDE has proposed that OGBs be gradually resumed and resump tee owners be offered smaller plots on lease basis.

8. As regards Educational institutes located in OGBs, the recommendation of the PAC that these be allowed to continue provided that the institutions were meant for children of service men and ex-servicemen, it is submitted that a comprehensive study of all such institutions would be needed before the recommendation can be implemented.

9. In the context of the observations and recommendations of the PAC the Ministry has decided to take the following actions:

- e. MoD would take action for resuming OGBs based on the need of the Defence forces in terms of extant land policies.
- f. DGDE has been asked to furnish a complete status paper on all OGBs covering aspects such as area of land, name of recorded HOR and actual occupier, unauthorized construction if any, division of site if any, nature of use of site and bungalow etc within 3 months to the Ministry.
- g. DGDE has been instructed to undertake a comprehensive study of educational institutions being run in OGBs and make recommendations with regard their continued functioning or otherwise.
- h. DGDE has been asked to submit a status report within 1 month on all pending cases of resumption of OGBs with a definite time table for completing resumption action.

(Deepak Anurag)
Joint Secretary (C&W)

(Ministry of Defence O.M. No 13014/1/2011/D(Lands)/Vol-III dated July 2015)

CHAPTER V

Observations/Recommendations in respect of which the Government have furnished interim replies

Observation/Recommendation Para No. 7

COMMERCIAL USE OF LAND:

The Committee observe that the aspect of commercial use of Defence land and their misuse and non-crediting of income from these lands, and properties into Government account have been repeatedly objected to by Audit but no tangible action has been taken by the Government to rectify the situation. The Committee deplore the inability of the Ministry to check such irregular practices and not directing the LMAs to deposit the proceeds into the Government account. The Committee cannot brook any laxity in the observance of financial rules and financial propriety and therefore recommend that the Government take strict action in this regard to safeguard the Government revenues. The Committee also expect that the new policy for allowing shopping complexes, if implemented transparently, would bring substantial revenue to the public Exchequer. Further, the Directorate of Defence Estates being the nodal agency, should be furnished with complete details of management and revenue generation from all Defence properties by the LMAs which should be computerized and the Committee apprised of the procedure evolved in this regard for strict compliance.

**(Sl. No.-1; Para-7 of the Eighty-Ninth
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken

Due to historical reasons Armed Forces were allowed to create shops within unit areas in certain locations. Establishment of shops within the Unit lines, as an essential requirement, is considered to be an authorized measure. Shopping Centre's have also been authorized for Military Stations under the Scales of Accommodation 2009. These shops and centre's are meant exclusively for the use of Service personnel, ex-servicemen and their families. However, over the years, shopping complexes and shops created from non-public/regimental funds or operating from re-appropriated buildings have also come up in a number of stations. In this context AHQ has submitted that A-1/analogous to A-1 land is being used for bonafide Military purposes and no commercial exploitation of such land has been envisaged. They have stressed that Shopping Centre's are being run to provide basic provisions to military personnel and all dues including rent etc are being paid into Government Treasury.

2. However, to address the question of levying rent on such premises, the Ministry of Defence have issued instructions in 2001 and later promulgated the Shopping Complex (Maintenance and Administration) Rules 2006. These rules inter-alia provide that in the case of shopping complexes created out of non-public funds on Defence land 50% of the net revenue would be credited to the Government

Treasury and the rest to Regimental fund/welfare fund. In the case of such complexes operating fully or partly from Government buildings 100% net revenue would be deposited in Government Treasury. All the three services have confirmed that they are complying with these rules. It is further submitted that the policy/rules with regard to crediting of revenues from Shopping Complexes and Centre's, management of such centre's/complexes, audit of the accounts of the complexes and allocation of shops is being further reviewed and fine tuned to ensure greater revenues, equity, transparency and accountability. This review and formulation of a revised policy if required, will be completed within 3 months.

3. As regards depositing the revenues generated from the use of Defence land for shops etc. in the Government account, DGDE has reported that for the year 2010-11 it has deposited Rs.20.75 crore on this account. OFB has reported that during 2010-11 it has deposited revenue generated of Rs.14 crore. Air Force and Navy have reported depositing Rs. 11.20 crore during the period 2006-2011. Army has reported that details of revenue deposited in Government account for commercial exploitation of Defence land have been sought from HQ Commands and CGDA but obtaining this input is time consuming. During meetings they have attributed this to the spread and number of their units from where inputs are required and the fact that there is no separate head of account for accounting revenues from Shopping Centre's/complexes. They have, however, reported that based on inputs received from some Commands Rs.4.654 crore was deposited into Government Treasury during 2011-12. Detailed information on revenues collected by the Services and other users from use of Defence land for Shops etc. will be provided to the PAC.

4. As regards the observation of PAC that the Directorate General of Defence Estates should be the Nodal Agency and should be furnished with complete details of management and revenue generation from all defence properties by the LMA, it is submitted that existing rules/policy already provide for membership of the DEO in the Management Committee of the Shopping Complexes and the DEO in this capacity has been vested with several important responsibilities. Further, enhancement of the role of the DEO in the management of the Shopping Complexes and computerization of details of shopping complexes will be considered in the ongoing review of policy.

(Deepak Anurag)
Joint Secretary (C&W)

(Ministry of Defence O.M. No 13014/1/2011/D(Lands)/Vol-III dated July 2015)

Observation/Recommendation No. 9

UNAUTHORISED USE OF DEFENCE LAND FOR GOLF AND OTHER ACTIVITIES:

The Committee note that the scales of Accommodation for Defence Services do not include Golf as an authorized activity and therefore, Golf cannot be considered as a military activity. Under the Cantonment Land Administration Rules, 1937 the recreation grounds which are not strictly reserved for the use of troops

alone can't be used for Golf Courses. The Committee are surprised to note that in 2004, Chief of Army Staff declared Golf as a sports activity and not only a recreational activity. He directed that Golf Courses would be named as Army Environmental Park and Training Area. Land used for these Army Environmental Park and Training Area shall continue to be A-1 Defence land. He further directed that no commercial activity will be undertaken on the Golf Courses such as sponsoring golf tournaments by corporate entities. The Committee are shocked to find that Defence authorities had been offering membership of the Golf Courses to civilians on payment basis so much so that in places like Delhi even foreign diplomats were being given membership and revenue generated from the civilian membership was not credited to Government account. The Committee deplore the gross misuse of Golf Courses and recommend that the entire policy of the Golf Courses be revisited comprehensively, and appropriate remedial action taken to ensure that the recreational facilities needed for the Armed Forces are not misused/abused in any manner. The Committee would like to have a status paper about the Golf Courses and Environmental parks used by the military, area-wise, nature of membership and the revenue generated annually and the account where credited.

**(Sl. No.-1; Para-9 of the Eighty-Ninth
Report of the Public Accounts Committee
(15th Lok Sabha)**

Action Taken

While it is true that the Golf is not a recognized /authorized sporting or recreational activity which can be undertaken on A-1 Defence land, Services have been running Golf Courses on A-1 Defence land. They have justified the use of A-1 defence land on the following grounds:

- i. Golfing is a legitimate training and sporting activity for the Armed Forces which is now even taught in NDA, IMA etc. They have stated that over the years Golf has become a popular sport both among officers and other ranks.
- ii. They have pointed out that whereas in British era golf was treated as an elite sport and therefore not allowed on A-1 Defence land, the same was allowed on land given to Clubs etc which were used by officers, at present golf is open to all service personnel including PBORs.
- iii. Golf courses are being run in open spaces authorised as per KLP norms and in vacant land where KLP is yet to come up. No additional land has been authorised for the Courses. They have stated that the golf courses allow the maintenance of such open grounds as green areas and also safe guard land against encroachment.
- iv. Membership of the courses have been restricted to service personnel, ex-servicemen and Defence civilians and except for Army Golf Course at Delhi where Diplomatic personnel are allowed as per a laid down SOP, no foreigners are allowed on the Golf Courses.

2. AHQ has also explained the adoption of the name Army Environmental Park and Training Area, as vacant areas in Military Stations have been greened and used for playing Golf as well as for providing training of troops. As regards the Committee's observation that membership of the Golf Courses are offered to civilians on payment basis, the AHQ has provided details of instructions issued in 2001 (**Annexure-E**), regulating membership of Army Golf Courses. In terms of these instructions Civilian members and Foreigners were not allowed. As noted above AHQ has while proposing a policy for Golf Courses intimated that Membership of the courses have been restricted to service personnel, ex-servicemen and Defence civilians and except for Army Golf Course at Delhi where Diplomatic personnel are allowed as per a laid down SOP, no foreigners are allowed on the Golf Courses.

3. In view of the fact that even though existing instructions/rules do not explicitly permit use of A-1 Defence land for Golf Courses the Services have continued to use such land for Golf Courses, the Ministry accepts the recommendation of the PAC to revisit the whole issue and formulate a suitable policy with a view to ensure that recreational facilities needed by Armed Forces are not misused /abused. It would also like to submit that work on formulation of a new policy is already underway in consultation with the Services and DGDE.

4. The Ministry has also issued instructions to the Services to prepare a comprehensive status report about the Golf Courses and Environmental parks used by the military on the lines advised by the PAC. In the interim Services have been directed to open golf courses on Defence land only with the approval of the Government.

(Deepak Anurag)
Joint Secretary (C&W)

(Ministry of Defence O.M. No 13014/1/2011/D(Lands)/Vol-III dated July 2015)

NEW DELHI;
12th December, 2018
21 Agrahayana, 1940 (Saka)

MALLIKARJUN KHARGE,
Chairperson,
Public Accounts Committee

APPENDIX-II

(Vide Paragraph 5 of Introduction)

ANALYSIS OF THE ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS OF THE PUBLIC ACCOUNTS COMMITTEE CONTAINED IN THEIR EIGHTY-NINTH REPORT (FIFTEENTH LOK SABHA)

(i)	Total number of Observations/Recommendations	12
(ii)	Observations/Recommendations of the Committee which have been accepted by the Government:	Total : 06 Percentage: 50%
	Para Nos. 1-3, 5-6 and 8	
(iii)	Observations/Recommendations which the Committee do not desire to pursue in view of the reply of the Government:	Total : 00 Percentage: 00%
	- NIL -	
(iv)	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:	Total : 04 Percentage: 33.33%
	Para Nos. 4 and 10-12	
(v)	Observations/Recommendations in respect of which the Government have furnished interim replies:	Total : 02 Percentage: 16.66%
	Para Nos. 7 and 9	