

**LAND MANAGEMENT IN BHARAT
SACHAR NIGAM LIMITED**

**MINISTRY OF COMMUNICATIONS AND INFORMATION
TECHNOLOGY
(DEPARTMENT OF TELECOMMUNICATIONS)**

**PUBLIC ACCOUNTS COMMITTEE
(2016-17)**

FIFTY THIRD REPORT

SIXTEENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

PAC NO. 2086

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PUBLIC ACCOUNTS COMMITTEE
(2016-17)

(SIXTEENTH LOK SABHA)

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TECHNOLOGY
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LOK SABHA SECRETARIAT
NEW DELHI

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COMPOSITION OF THE SUB-COMMITTEE V OF PUBLIC ACCOUNTS COMMITTEE
(2015-16)

*Shri Sukhendu Sekhar Roy - Convenor

MEMBERS

LOK SABHA

2. Shri Gajanan Chandrakant Kirtikar
3. Shri Dushyant Singh
4. Shri Anurag Singh Thakur

RAJYA SABHA

5. Shri Satyavrat Chaturvedi

*Shri Bhubneshwar Kalita, MP appointed as Convenor w.e.f. 18.12.2015

COMPOSITION OF THE SUB-COMMITTEE V OF PUBLIC ACCOUNTS COMMITTEE
(2016-17)

Shri Sukhendu Sekhar Roy

- Convenor

MEMBERS

LOK SABHA

2. Shri Prem Singh Chandumajra
3. Shri Abhishek Singh
4. Shri Anurag Singh Thakur
5. Prof. Richard Hay

RAJYA SABHA

6. Shri Satyavrat Chaturvedi

**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2016-17)**

Prof. K.V. Thomas - Chairperson

MEMBERS

LOK SABHA

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

RAJYA SABHA

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

SECRETARIAT

1. Shri A.K. Singh - Additional Secretary
2. Shri S.C. Chaudhary - Joint Secretary
3. Shri T. Jayakumar - Director
4. Smt. Anju Kukreja - Under Secretary

INTRODUCTION

I, the Chairperson, Public Accounts Committee (2016-17) having been authorised by the Committee, do present this Fifty-Third Report (Sixteenth Lok Sabha) on "**Land Management in Bharat Sanchar Nigam Limited**" based on Para No. 5.1 of the C&AG Report No. 17 of 2014 related to the Ministry of Communications and Information Technology (Department of Telecommunications).

2. The above-mentioned Report of the Comptroller and Auditor General of India was laid on the Table of the House on 1 August, 2014.

3. The Public Accounts Committee (2015-16) took up the subject for detailed examination and report. The Sub-Committee V of PAC took evidence of the representatives of the Ministry of Communications and Information Technology (Department of Telecommunications) on the subject at their sitting held on 10 August 2015. Based on the evidence, the draft Report was prepared and finalized by the Sub-Committee and placed before the Committee for their consideration.

4. The Committee considered and adopted this draft Report at their sitting held on 8 September 2016. Minutes of the sittings are appended to the Report.

5. For facility of reference and convenience, the Observations/Recommendations of the Committee have been printed in bold and form Part II of the Report.

6. The Committee would like to express their thanks to the representatives of the Ministry of Communications and Information Technology (Department of Telecommunications) for tendering evidence before them and furnishing the requisite information to the Committee in connection with the examination of the subject.

7. 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.

NEW DELHI;
16 November, 2016
25 Kartika, 1938 (Saka)

PROF. K.V. THOMAS
Chairperson,
Public Accounts Committee

REPORT

PART-I

I. INTRODUCTORY

1. This Report is based on Para 5.1 of Report No. 17 of 2014 of the Comptroller and Auditor General of India for the year ended March 2012, Union Government (Communications and Information Technology Sector) relating to "Land Management in Bharat Sanchar Nigam Limited".

2. The Public Accounts Committee (2015-16) selected the subject for detailed examination and Report. For this purpose a Sub-Committee was constituted to examine the issue in detail. The Sub-Committee obtained background material and written replies from the Ministry of Communications and Information Technology (Department of Telecommunications). They took oral evidence of the representatives of the said Ministry on 10th August, 2015. Based on these oral and written deposition by the Ministry, the Committee examined the subject 'Land Management in Bharat Sachar Nigam Limited' in detail.

3. Bharat Sanchar Nigam Limited (BSNL), a wholly owned Company of the Government of India, was incorporated on 15 September, 2000 under the Companies Act, 1956 and commenced commercial operations on 1 October, 2000. The business of providing telecommunication services in the country other than Delhi and Mumbai, hitherto managed by erstwhile Department of Telecom Services (DTS) and the Department of Telecom Operations (DTO) under Ministry of Communications, was transferred to the newly formed Company. All assets and liabilities of the DTO and DTS, valued provisionally at ₹63,000 crore, were transferred to BSNL (Company). The Company has at present huge tracts of land, both inherited and acquired, located at different places under different Circles of the Company.

4. The administrative and operational control of BSNL is vested with the Board of Directors, headed by the Chairman and Managing Director (CMD) who is assisted by

functional Directors in charge of Technical, Finance and Human Resources. Land inherited/acquired by the Company is managed by the Civil Wing of the Company, headed by Principal General Manager/Building Works (PGM/BW) at the Corporate Office, New Delhi. The PGM reports to the Executive Director (New Business)/ Director (Enterprises) at the Corporate Office. At the circle level, Chief General Managers (CGMs), who are the heads of Circles manage lands under their jurisdiction and are supported by the heads of Secondary Switching Area (SSA). The former report to the Principal General Manager/BW for any issues relating to the land under their control.

II. AUDIT EXAMINATION

5. The Audit of Land Management in Bharat Sanchar Nigam Limited was conducted from May to September, 2012. The Audit was undertaken with a view to assess:

- Whether the Company had an effective land management in place.
- Whether the land assets held by the Company, had been transferred in the name of the Company.
- Whether the Company took prudent and effective measures for utilization of vacant land and adequate safeguards were in place to prevent encroachment of land.
- Whether process of fresh acquisition of lands was complete and utilized for the purpose for which it was acquired.

III. AUDIT FINDINGS

6. Audit found that even though the Company has been in existence for more than a decade, it still does not have a Land Management Policy. In the absence of this, the Company which possesses huge tracts of freehold land measuring 402.99 lakh square meters has been unable to protect its land from encroachment/cancellation of plots due to abnormal delay in getting the inherited plots transferred/mutated/alienated in the name of the Company. Further the loss making Company was not able to commercially exploit its vacant land and take leverage of the same to generate additional revenue. There was also an abnormal variation in the book value of the inherited land and leasehold land on account of difference between the records of Civil Wing of Corporate

Office and the audited accounts of the Company resulting in undervaluation of the assets of the Company.

7. The Committee have examined in detail the aforesaid issues raised by the Audit and the same have been discussed in the succeeding Paragraphs.

A. Valuation of Land

8. Audit observed that BSNL inherited huge tracts of land from the DoT in the year 2000. The Company does not however have a laid down Land Management Policy till May 2013. Procurement of land was carried out by the authorized functionaries as per the delegation of Financial Powers of the Company. PGM (BW) which heads the Civil Wing of the Company at Corporate Office was mandated to maintain the database of the land bank of the company.

9. Audit analysis of the data disclosed that

(i) As per details of land holdings contained in the MIS (Management Information System) maintained by the Civil Wing, the total number of plots, area of the plots, freehold/leasehold, cost of acquisition i.e. book value, present value, lease period etc., Circle-wise and SSA-wise, in respect of 44 out of 45 circles of the company was available as on 26 September 2012. The Company inherited from the DoT 12194 plots measuring 406.31 lakh square meters with book value of ₹3103.03 crore located at various places. After formation of BSNL, the Company had acquired/ taken on lease 2788 plots measuring 34.5 lakh square meters with book value of ₹380.41 crore (Annexure-I). Thus the total book value of the land as per the MIS data of Civil Wing was ₹3483.44 crore.

(ii) However, as per the audited accounts of the Company for the year ended 31 March 2012, the value of the land i.e. Cost of acquisition was shown as only ₹1130.81 crore. Compared to the MIS data, the book value of the land was grossly understated in the accounts which were reported in the Annual Report (2011-12) of the Company, to the extent of ₹ 2352.63 crore.

10. In reply to the audit observation, Ministry stated (February 2013) that the data on MIS site was not yet fully purified and that the process of purification was still in

progress and would be finalized after mutation of all lands in the name of the Company. Further it was stated that as per the data downloaded from MIS site on 02 January 2013, the total book value was ₹ 923 crore (approx.) only which tallied with audited accounts of BSNL. Further, all the Circles had already been requested to reconcile the difference in the book value of their Circle.

11. On being asked as to whether any land management policy has been framed by BSNL, the Ministry of Communication and Information Technology (Department of Telecommunications) in their written replies stated as under:

"Land Management policy is evolving on need basis and will crystallize in desired form shortly. At present, it comprises a number of circulars issued from time to time dealing with various aspects including mutation, reconciliation of book values and renting out of surplus space etc. In addition, as per Article 144(3) of Articles of Association (AOA) of BSNL, it requires the approval of the President of India to effect sale, lease, or disposal of any land."

12. Explaining the reasons for the delay in updation of the land data and reconciliation of book value between MIS and audited accounts though the company was formed in 2000 which ultimately affected fair representation of its value in the accounts of the company, the Ministry of Communication and Information Technology (Department of Telecommunications) in their written submission stated as follows:

"The book value shown in the MIS was intended to be only an indicative figure as the audited book value of various plots of land were not readily available with the field units responsible for uploading the data. The value given in MIS site is not a substitute for audited book value and does not override the latter.

As far as the valuation of the assets of the Company is concerned, it is submitted that the actual valuation will depend upon the market rate of the property prevailing at the time of valuation which will be different from the audited book value, hence fair representation of the value of assets in the accounts of company is not affected at all.

However in deference to the advice of the Audit, an exercise has already been undertaken by BSNL to reconcile the two figures."

13. Apprising the Committee about the current status of reconciliation between MIS and audited accounts in respect of land value, the Ministry provided as follows:

"The exercise for reconciliation of book value available on MIS site and audited book value is already under way by BSNL. As per the current status, the book value on Civil MIS site is ₹ 956.02 crore against the audited book value of ₹1095.53 crore, which itself has been corrected from the value of ₹.1130.81 crore pointed out by the Audit to account for the plots of land acquired by state governments for public purposes. The gap of about ₹150 crore is largely on account of seven circles namely Punjab, UP (W), Andhra, ETR, West Bengal, NTR and Bihar. Task Force has already been constituted by BSNL at circle level for mutation of land in these circles and these circles will scrutinize the book values of Property as per Civil MIS Site and Audited Book Value and reconcile the same."

B. Title Deeds of inherited plots not transferred in the name of BSNL

14. After the transfer of the land assets to BSNL, DoT vide office memorandum dated 30 September 2000 authorized that the transfer/mutation/alienation of these assets and liabilities should be completed by 31 December, 2000.

15. Audit highlighted that BSNL officials were to ensure early transfer of assets in the name of Company from DoT. The Circle authorities were asked (22 December 2011) to complete the process latest by 31 December 2011, the date fixed by Minister of Communications & Information Technology, for transfer of the assets to the Company. However, all inherited plots numbering 12194 measuring 406.31 lakh square meter of the Company, were not transferred/mutated in the name of the Company as on 31 March, 2012. The Ministry while confirming (February, 2013) that no assets were mutated in the name of BSNL as on 31 March 2012 stated that the verification of assets along with the concerned CCAs was a huge task which involved a chain of activities to be performed by different individuals and was taken up in all circles simultaneously and the same was in progress. Further, DoT allowed for the mutation of assets of Haryana Circle in the end of March, 2012 and that the same was extended to 41 Circles in respect of lands having clear revenue records excluding vacant lands/disputed lands/shared lands and lands retained by DoT.

16. Explaining the reasons for the delay in transferring/mutation of all inherited plots measuring 406.31 lakh square meter of the company as on 31 March 2012 though it was to be done by 31 December, 2011, the Ministry of Communication & Information Technology (Department of Telecommunications) stated as under:

"On completion of requisite formalities, all inherited plots (except certain categories and involving litigation) have already been ordered for mutation in the name of BSNL on 23.02.2012. This was further subject to consultation with the concerned Govt. pleader at the district/taluka level to ascertain the formalities as per advice of LA (T) It may be recalled that there were a number of activities which were required to be completed prior to actual mutation. Cases of mutation of various plots of land falling in other categories such as vacant land, jointly held land and disputed land are being dealt separately in accordance with GOI directives on the subject"

17. When asked about the action taken for verification of assets of the company by CCA, the Ministry submitted as under:

"A joint team consisting of one officer from CCA and CGM of each circle was formed during 2011 for verification of the land & building record from State Revenue record besides other works. On the basis of available record, Joint team had verified total 9170 land and 8549 buildings."

18. Further, when the Committee sought to know about the current status of transfer/mutation of assets in the name of the company, the Ministry furnished as follows:

"In order to expedite the Mutation, Circle level Task Force has been constituted by Corporate Office and monthly monitoring is being done. The whole exercise of mutation is targeted to be completed by 31.03.2016. As on date, 999 plots of land have been mutated in the name of BSNL out of 7406 plots cleared for mutation."

19. In this regard, representative of the Ministry stated during evidence as under:

"We first started with such plots of land where there are buildings erected by BSNL which would have been clearer to establish the title deeds. Some 7500 odd such plots have already been identified and BSNL is on the exercise of taking it up with the necessary State authorities to complete the exercise as quickly as possible."

C. Vacant Plot not Commercially exploited

20. As on 31 March 2012, the Company had 1953 plots with freehold rights measuring 32.46 lakh square meters kept fully vacant across the country in 29 circles.

Audit observed that:

i. 1719 plots measuring 27 lakh square meters in selected 15 Circles were kept fully vacant (Annexure - II) out of the total freehold plots of 11352 measuring 307.82 lakh square meters as indicated in Annexure-III.

ii. In 25 out of selected 67 SSAs under 15 Circles, Audit observed that 119 plots covering an area of 1.70 lakh square meters with a book value of ₹7.60 crore were lying vacant (March 2012). (Annexure-IV).

iii. To guard against the increasing menace of encroachments of Government plots, DoT had issued detailed instructions on protective measures to prevent encroachment. BSNL Circle Management also instructed SSAs to ensure complete protection of land by taking adequate steps to protect the vacant plots. Despite these instructions, plots were kept vacant for long periods without any protection which exposed plots to the risk of encroachment. Details of encroachment of land are given in subsequent paragraphs.

iv. To ensure effective utilization of its land, the Company during June, 2008 had started an exercise to explore possibilities to commercially exploit the vacant plots under its possession. Accordingly, the Circles were asked to identify vacant plots under their jurisdiction. A test check of records in selected 67 SSAs under 15 Circles revealed that only in three Circles, concerned CGMs had sent proposals identifying potential plots for commercial exploitation as given below. However a final decision was pending at Corporate Office for commercial exploitation of plots.

Vacant plots identified for commercial exploitation

SL. No	Circle	Name of SSAs	No of plots	Area (in Sq.mt)
1.	Andhra Pradesh	Hyderabad TD	6	78384.00
2.	Kerala	Thiruvananthapuram TD	12	40554.00
3.	Kolkata TD	Kolkata Metro District	2	4172.00
	Total		20	

Thus due to continued inaction at Circle level in submitting the proposals for commercial exploitation of vacant plots and also at the Civil Wing of Corporate Office to take a decision on the proposals received, the company could not generate additional revenue

through commercial exploitation of its vacant lands to augment its Working Capital. Ministry stated (February 2013) that the Articles of Association (AoA) of BSNL prevented the Company from sale, lease & disposal of any land and/or building having an original book value of ₹1 crore (₹ one crore) and above without the approval of the President. The same has since been amended (11 January 2013) enabling the company to Lease/rent agreement of spare-able capacity of buildings up to 10 years without the approval of the President. Consequently BSNL has taken steps to monetize its real assets and a Pilot Project has been taken up for commercial exploitation of 10 plots of lands. On successful execution of this project, commercial exploitation of other vacant plots shall be undertaken by BSNL to generate revenue.

21. The Committee desired to know the reasons for not doing commercial exploitation of the vacant plots. In response, the Ministry submitted as follows:

"Earlier BSNL Board was authorized to execute sale, lease or disposal of any land /building having an original book value of ₹ 1 crore in accordance with Article 144 (3) of AOA of the Company. Cases beyond the powers of BSNL Board were dealt by the Ministry viz. DOT. However, Ministry of Urban Development vide their OM No. 28011/6/11-CDN dated 06-04-2011 withdrawn this powers by conveying the directives of the Cabinet Secretariat that prior approval of the Cabinet would be required for sale. Accordingly, Ministry had not mutated the vacant lands to BSNL in 1st phase of mutation. These cases are being dealt separately and commercial exploitation of vacant lands is also under consideration."

22. Further, as regards the present status of commercial exploitation of land under pilot project and other vacant plots, the Ministry apprised the Committee that proposal of commercial exploitation of land assets of BSNL is in initial stage of consideration.

23. During evidence, while deposing before the Committee on the issue of vacant lands, Secretary, Telecommunications stated as under:

"Dealing with the vacant land and its disposal is a contentious issue. We have to do something about it but it is time taking process. They have sent us proposals for a few lands. That is under examination. We are thinking what to do with it, how to deal with that and how to realize money out of it. I believe we will be in a position to find out some way in which we deal with this vacant land".

24. Another representative of the Ministry during evidence stated as under:

"The Government took the decision that initially we will start with the transfer on which BSNL already has buildings. In the next phase we will take up vacant plots. In the meantime, there are certain vacant plots on which clear titles exist already either because BSNL has itself acquired them or because it came in the initial phase itself that they will going to be used by BSNL. Some cases they have sent to the DoT to examine whether we will be able to exploit it. In the meantime they have done some exercises themselves to use some of the buildings not just land but building also where they may not be fully using it. They are entering into lease agreements with the State Governments and PSUs so that they may recover some revenues from the investment that they have made in land and building assets."

25. The representative of the Ministry, further assured the Committee that

"We are in the process of ensuring that this work is completed as soon as possible."

D. Encroachment of Land

26. A test check was carried out in 15 Circles by Audit. It was noticed that out of 307.82 lakh square meters of freehold land in 11352 plots under possession, 9031 plots were inherited and remaining 2321 plots were acquired by BSNL between January, 2001 and March, 2012 (Refer Annexure-XIV). Audit of land records pertaining to the Company disclosed that 8.46 lakh square meters of land in 101 plots in selected Circles was found encroached as detailed below :

Sl. No.	Circles	Total Plots				Encroached			
		Inherited		Acquired		Inherited		Acquired	
		Number of Plots	Area	Number of Plots	Area	Number of Plots	Area	Number of Plots	Area
1.	Gujarat (incl. Ahmedabad TD)	1067	2429583.1	483	479412.7	3	17404	0	0
2.	Andhra Pradesh	1086	2742275	314	217318.3	5	40537.3	0	0
3.	Karnataka (incl. Bengaluru TD)	1001	2391255.96	309	245715.62	1	809.6	1	278.7
4.	Bihar	322	838351.1	24	41652.75	9	105278	1	263.13
5.	Chennai TD	102	875730.3	4	3726	0	0	0	0

6.	Tamil Nadu	764	2177557.98	110	137383.33	1	1249.82	2	2250
7.	Kerala	609	1603250	103	177395.4	3	4659	0	0
8.	Kolkata TD	66	641599	1	2833	2	8901	0	0
9.	West Bengal	154	842929.9	7	14070.03	1	227275	0	0
10.	Madhya Pradesh	802	2578086.55	399	559589.04	27	92382.42	10	21897.48
11.	Maharashtra	1155	4122724	376	474873.54	14	225388.9	6	12934
12.	Orissa	168	603867	21	74663	4	35946	2	3332
13.	Punjab	326	1186944.99	31	81542.24	1	4104	0	0
14.	Rajasthan	696	2521931.5	123	147890.9	4	14985	0	0
15.	UP (East)	713	2502113	16	65749.03	4	26551.16	0	0
	Total	9031	28058199.38	2321	2723814.88	79	805471.17	22	40955.31

Further examination of land records in selected SSA's carried out (May to September 2012) by joint inspection team of Audit and BSNL disclosed that 29 plots measuring 1.70 lakh square meters had been encroached as detailed in Annexure-V (eight of these plots were encroached after formation of the company i.e. after 01 October 2000). It was observed that there were no barbed wire/ fencing/ compound wall to protect the plots and no legal proceedings were initiated to evict the encroachers in certain cases (Morena and Indore SSA). Further, even the Circle authorities were not aware of the encroachment in certain SSAs which was brought to their notice by the Audit consequent to joint inspection/data analysis of the data made available. The Management replied that action would be taken to lay the fencing and call for reports on encroachment from concerned SSAs. Further the Management stated that legal action has been taken to get the encroachers evicted in other cases where it was noticed by the Management. Delay in mutation of property in the name of the Company adversely affects the legal proceedings of getting the encroachers evicted. It was also observed that the concerned SSAs did not regularly monitor the status of vacant plots held by them to ensure absolute protection of the properties through fencing, putting up signboards etc. even though Circle Management instructed its SSAs to keep strict vigil over vacant plots to prevent encroachment. Thus BSNL had neither been able to keep

its inherited land free from encroachment nor could it protect fresh plots acquired from encroachment.

27. Apprising the Committee about the number of plots cleared so far from encroachment, the Ministry stated that out of one hundred one plots where encroachment was pointed out by the Audit, encroachment has been cleared from six plots which include one each in Tamilnadu and Kerala and four in MP. Action is already underway for removal of encroachments from the remaining. As on date there are only 130 plots under encroachment. Thus out of total plots available, encroachment is on less than 1% plots and this figure is consistently declining because of remedial measures.

28. As regards the action taken to prevent further encroachment, the Ministry furnished that circles are already authorized to take preventive actions such as construction of compound walls/ barbed wire fencing or watch and ward of sites having potential threat of encroachment. Since these measures entail capital cost, they are implemented on case to case basis dictated by perception of threat of encroachment.

29. Explaining the difficulties being faced for eviction of encroachment, the Ministry submitted that action for eviction of encroachment is taken in consultation with law enforcement agencies. This is a sensitive process as sometimes local factors such as communal angle, slum-rehabilitation issues and local politics etc also play a crucial role. Since process of eviction involves various stake holders including Police, judiciary and NGOs etc, the same takes long time before desirable results are achieved.

30. During evidence, Secretary Telecommunications admitted that any encroachment cannot be taken lightly and it should be removed.

31. He further stated that

"We are dealing with it. We are on it and we are sure that this encroachment will be removed."

32. On this issue, another representative of the Ministry deposed before the Committee that:

"BSNL is taking measures to review and especially now that we have data base and the Building Works Department of BSNL is actively pursuing this, we are looking at reducing it. Some of these cases are also on litigation. We would have to go by what finally the courts decide".

E. Acquisition of Land

(i) Sale/Lease deed of 82 plots of land not executed despite payment of ₹ 3.38 crore.

33. Execution of title deed/lease deed after finalization of land deal is a primary necessity to ensure absolute possession of such land whether taken on leasehold or through direct purchase. Non completion of the purchase process by the company may finally lead to complete erosion of claim on such land/cancellation of lease affecting the performance of the Company. A test check of records in Audit revealed that in four SSAs, the Company has taken on lease 17 plots measuring 0.12 lakh square meters of land for periods ranging from 30 years to 99 years. The Company paid a premium of ₹0.64 crore for taking the plots on lease for the purpose of establishing exchanges/Remote Line Unit. However the Company did not enter into a lease agreement for the said plots. This had resulted in avoidable payment of premium amounting to ₹0.64 crore and consequential loss of interest thereon. Further, it was observed that in five SSAs under two Circles the Company acquired 65 plots of land measuring 0.85 lakh square meters with a book value of ₹2.74 crore but no sale deed was executed for the same.

34. On being asked as to why the Ministry had not entered into a lease agreement for the 17 plots, the Ministry stated that matter has already been taken up with the concerned revenue authorities for execution of lease deed and is being actively pursued. In all these cases except one, possession of plots has already been taken and in case of land at Ambamata, Udaipur, payment of lease has been stopped due to encroachment.

35. One of representatives of the Ministry stated during evidence that as on date out of 82 plots they have done the sale deed or lease deed in respect of 40 and for rest action is continuing.

(ii) **Non-submission of Alienation proposals in respect of land measuring 0.32 lakh square meters with book value of ₹ 7.38 crore.**

36. Government of Andhra Pradesh had allotted vacant lands measuring 32307.1 square meters to Telecom Department for construction of Telephone Exchanges and support services during 1981-2001 for a total consideration of ₹7.38 crore. For completing the transfer process, DoT/ BSNL was required to procure and submit alienation proposals to the Government of Andhra Pradesh. Audit observed that this had not been done in any of these cases either by the DoT or by the Company even after 11 years of formation of the Company.

37. It was observed that one of the land/plots measuring 2543 square meters for which an amount of ₹1.58 crore was paid as consideration was resumed by the Government of Andhra Pradesh in 2005 as the same remained vacant/unutilized since it was allotted in 1998 and was not transferred legally to the DoT/Company.

38. The Circle Management replied (February 2012) that legal notices were issued on 21 December 2006 and that the case was being vigorously pursued with the concerned authorities to get back the land and evict the encroachers. Further, it was stated that alienation proposals in respect of other allotted lands were being taken up with the concerned authorities i.e. District Collector.

39. Explaining the reasons for not procuring and submitting alienation proposals to the Government of Andhra Pradesh even after a lapse of 11 years of formation of the Company for completing the transfer process of land measuring 32307.1 square meters for construction of Telephone Exchanges and Support Services during 1981-2001, the Ministry of Communications and Information Technology (Department of Telecommunications) submitted as follows:

"Most of these land parcels were acquired immediately prior to the formation of the Company. Action has been initiated for alienation and mutation in a phased

manner beginning with the land parcels which are not vacant. All these land parcels are in possession of BSNL with the exception of Mahindra Hills, where only a part of land (1188.2 sqm out of 2643 sqm) has been allotted to Sikh Community Welfare Association for which matter has already been taken up with the concerned revenue authority for grant of compensation. Rest of the land at Mahindra Hills is in the possession of BSNL, where compound wall has already been constructed and a Base Transceiver Station (BTS) is operational."

40. When asked as to how much plots of land have been mutated in the name of BSNL, the Ministry provided the following details:

"As on date 999 plots of land have been mutated in the name of BSNL out of 7406 plots cleared for mutation. In order to expedite the Mutation including the instant case, Circle level Task Force has been constituted by Corporate Office and monthly monitoring is being done.

In Mahendra Hills site, a part of the land was allotted to Sikh Community Welfare Association in 2005. Approximate area as reported by HTD is 1300 sq.yds (1188.2 sq. mts). The balance area of 1741 sq.yds (1591.27 sq. mts) is under the control of HTD. Compound wall was already constructed. At present, ground based tower and BTS is functioning in the site under possession."

41. Further, on being asked as to whether the amount of ₹1.58 crore paid as consideration for a plot of land measuring 2543 square meters has been recovered as the Government of Andhra Pradesh re-allotted the land to Sikh Community Welfare Association in 2005, the Ministry replied that Hyderabad Telecom District is trying to get back the cost of the land allotted to Sikh Community Welfare Association from the State Government.

(iii) Land measuring 1690.40 square meters surrendered without receipt of adequate compensation/allocation of alternative site

42. Audit examination of records in selected circles (Refer Annexure -XI) revealed that in Karnataka and Tamilnadu Circles, BSNL had to surrender 1690.40 square meters of land with book value of ₹0.79 crore without adequate compensation/consideration as detailed below:

43. In Bengaluru (Karnataka Circle), Bangalore Mass Rapid Transport Ltd.(BMRCL) - Metro Rail Project acquired (August 2005) 557.40 square meters of land which was

procured by BSNL during January 2004 at a cost of ₹0.79 crore. The organization agreed to offer alternate site measuring 525.20 square meters and paid cash compensation of ₹7.97lakh for unused quantum of land measuring 32.21 square meters. But the alternative plot was not allotted to BSNL even after a lapse of seven years. The Circle Management of BSNL replied that the case was being pursued with concerned authorities in BMRCL for allotment of alternative equivalent site in lieu of land ceded.

44. In Tamilnadu circle (Trichy SSA) during 2003, 1133 square meters of land with a market value of ₹3.46 lakh was acquired by National Highways Authority of India (NHAI) for road widening work. No compensation for the land was given by the NHAI till date. Circle Management stated (May 2012) that the case for compensation could not be pursued due to non availability of records. Ministry while stating (February 2013) that report from concerned circles have been called for and, had issued directions to all the CGMs to ensure that there were no such cases in their units and also to pursue the pending cases vigorously to obtain appropriate compensation or alternative piece of land, as the case may be.

45. Explaining the reasons for the failure of the Ministry/BSNL to pursue the concerned authorities in Bangalore Mass Rapid Transport Ltd. for allotment of alternative plot of 525.20 square meters in lieu of land acquired by BMRCL in August, 2005, the Ministry stated as under:

"BSNL, BGTD had purchased a site measuring 557.40 sq. mtrs. of area at Magadi road for construction of Telephone Exchange Building . The cost of the site at time of purchase was ₹ 79,20,000/-. Subsequently in the year 2008 the land was acquired by Ministry of Commerce and Industries, Government of Karnataka for development of BMRCL. It was agreed by BMRCL that an equal extent of land would be offered to BSNL just by the side/back of the BSNL land at Magadi road in lieu of the acquired BSNL land at Magadi road. As the alternate land proposed by BMRCL was lesser by 32.20 sq. mtr. than that acquired from BSNL the difference in value of the land (32.20 sqm.) an amount of ₹ 7.97 lakh was paid to BSNL. As agreed by BMRCL the alternate land behind the acquired BSNL land offered to BSNL and land was registered in the name of BSNL by BMRCL on 10.10.2012."

46. Further, with regard to non-receipt of compensation for the 1133 sq meters land acquired by National Highways Authority of India (NHAI) for road widening work, the Committee sought to know as to whether the Ministry had sought legal views in this regard. In response, the Ministry of Communications & Information Technology in their written replies submitted as follows:

"The total area of the land is 1133 sq. metres (28 cents). Out of the total area of 1133 sq. metres, an area of 273 sq. metres was taken over by NHAI. NHAI did not offer compensation to BSNL. In response to the claim made by BSNL for compensation, NHAI directed BSNL to approach the Spl. DRO/CA(LA) with documentary evidences to resolve the issue. NHAI did not ask for any specific documents/records from BSNL. The matter of compensation for the 273 sq. metres of land acquired by NHAI was taken up by BSNL with NHAI and also with the Revenue Authorities. As per the records, a notice was issued by BSNL through Add. Govt. Pleader to NHAI not to disburse the compensation amount to any party except BSNL."

47. The Ministry again replied that inspite of constant persuasion by BSNL the land has not yet been transferred to the name of DoT/BSNL so far.

48. In their reply to Audit, the circle Management (May 2012) stated that the case for compensation could not be pursued due to non-availability of records. Apprising the Committee of the present status in this regard, the Ministry stated that the matter is being continuously pursued and as and when the title deed is received in favour of BSNL, it will be submitted to NHAI for compensation.

PART II
OBSERVATIONS/ RECOMMENDATIONS

Introductory

1. Bharat Sanchar Nigam Limited (BSNL) was established on 01.10.2000 under the Companies Act, 1956 through corporatization of the service provision functions of the erstwhile Department of Telecom Services (DTS) and the Department of Telecom Operations (DTO). At the time of its establishment, the Government of India transferred all assets and liabilities of the DTS and DTO, valued provisionally at ₹ 63,000 crore to BSNL (Company) except certain assets to be retained by Department of Telecommunications (DoT) to be worked out later on. The Company has at present huge tracts of land, both inherited and acquired, located at different places under different Circles of the Company. Land inherited/acquired by the Company is managed by the Civil Wing of the Company, headed by Principal General Manager/Building Works (PGM/BW) at the Corporate Office, New Delhi.

Audit Findings

2. The Committee note with concern that the BSNL inherited huge tracts of land from the DoT in the year 2000, however did not lay down Land Management Policy till May 2013. In the absence of any policy, the company which possessed huge tracts of freehold land measuring 402.99 lakh square meters has been unable to protect its land from encroachment/cancellation of plots due to abnormal delay in getting the inherited plots transferred/mutated/alienated in the name of the company. Further the loss making company was not able to commercially exploit its vacant land and take leverage of the same to generate additional revenue. There was also an abnormal variation in the book value of the inherited land and leasehold land on account of difference between the records of Civil Wing of Corporate Office and the audited accounts of the Company resulting in undervaluation of the assets of the Company. These alongwith other issues have been dealt with in detail by the Committee in the succeeding paragraphs.

Valuation of Land

3. The Committee express their displeasure over the inability of BSNL for non-framing a land management policy for a long period i.e. till May, 2013, despite having inherited huge tracts of land from DoT in 2000. Now the Committee are informed that the Land Management Policy is being evolved on need based norms and would be crystallized in a desired form shortly. The Committee find that the Company inherited from the DoT 12194 plots of land measuring 406.31 lakh square meters with book value of ₹3103.03 crore located at various places. After formation of BSNL, the company had acquired/taken on lease 2788 plots measuring 34.5 lakh square meters with book value of ₹ 380.41 crore. Thus the total book value of the land as per the Management Information System (MIS) data of Civil Wing was ₹ 3483.44 crore. However, as per the audited accounts of the Company the value of such land was shown as only ₹ 1130.81 crore. Thus, as compared to MIS data the book value of the land was understated in the Annual Report (2011-12) of the company, to the extent of ₹ 2352.63 crore. The Ministry have contended that the book value shown in the MIS was intended to be an indicative figure as the audited book value of various plots of land was not readily available with the field staff responsible for uploading the data. The value given in MIS site is not a substitute for audited book value and does not override the latter. The Ministry further stated (February 2013) that the data on MIS site was not yet fully purified and the process for purification was still in progress and would be finalized after mutation of all lands in the name of the company. The Committee regret to observe that this is nothing but an indication of poor planning and lack of coordination with the field staff. The Committee, therefore, urge upon the Ministry that the work for reconciliation of book value between MIS and audited accounts may be completed at the earliest. It has further been informed that as the gap of about ₹ 150 crore is largely on account of seven circles namely Punjab, UP (W), Andhra, ETR, West Bengal, NTR and Bihar, a Task Force has been constituted by BSNL at circle level for mutation of land in these circles and these circles will scrutinize the book values of property as per Civil MIS site and Audited Book Value and reconcile the same. The Committee feel

that this step should have been taken earlier and that this action has been taken after pointed out by Audit is regrettable and deplorable. The Committee would desire to know about the steps taken in regard to remaining circles which have higher gap. The Committee note with serious concern that in the absence of a sound Land Management Policy, the BSNL have failed miserably to get its huge tracts of land mutated even after a long period of more than one and half decade. The BSNL utterly failed to protect its land at different parts of the country from encroachment. This clearly shows the lack of seriousness on the part of the Company in protecting and preserving its own land. The Committee desire that the Ministry of Communications & Information Technology take urgent steps to formulate a sound Land Management Policy to protect and preserve its invaluable large tracks of land at the earliest. The Committee, therefore, recommend that every possible step should now be taken in right earnest for mutation of land so as to reconcile the book values of property.

Title deeds of inherited plots not transferred in the name of BSNL

4. The Committee note that after the transfer of land assets to BSNL on 30 September, 2000, Department of Telecommunications authorized that the transfer/mutation/alienation of these assets and liabilities should be completed by 31 December, 2000. The Committee are perturbed to note that despite this stipulation, none of the inherited plots numbering 12194 measuring 406.31 lakh square meters of the company were not transferred/mutated in the name of the Company as on 31 March, 2012. The Ministry while confirming (February, 2013) that no assets were mutated in the name of BSNL as on 31 March, 2012, stated that the verification of assets alongwith the concerned Controller of Certifying Authorities (CCAs) was a huge task which involved a chain of activities to be performed by different individuals and was taken up in all circles simultaneously and the same was in progress. The Committee have now been informed that in order to expedite the mutation, Circle level Task Force has been constituted by Corporate Office and the whole exercise was targeted to be completed by 31.03.2016. The Committee while expressing serious doubt about the

commitment of the BSNL in achieving the target completion of transfer/mutation/alienation which could not be attained even after 16 years would like to be apprised of its present status. The Committee, therefore desire that stringent punishment may be imposed on the responsible officers for remaining inactive for such a long period of time. They also recommend that in future, the Ministry should streamline the process of execution of mutation/transfer of land as soon as the same is acquired so that no delay occurs on this count.

Vacant Plots not commercially exploited

5. The Committee note that as on 31 March, 2012, the Company had 1953 plots with freehold rights measuring 32.46 lakh square metres kept fully vacant across the country in 29 Circles. The Committee are unhappy to note that out of total freehold plots of 11352 measuring 307.82 lakh square meters, 1719 plots measuring 27 lakh square meters in selected 15 Circles were kept fully vacant. In 25 out of selected 67 Secondary Switching Areas (SSAs) under 15 Circles, 119 plots covering an area of 1.70 lakh square meters with a book value of ₹ 7.60 crore were laying vacant. The Ministry contented that due to continued inaction at Circle level in submitting the proposals for commercial exploitation of vacant plots and also at the Civil Wing of Corporate Office to take a decision on the proposals received, the Company could not generate additional revenue through commercial exploitation of its vacant lands. Further, Articles of Association (AoA) of BSNL prevented the Company from sale, lease and disposal of any land and/or building having an original book value of ₹ one crore and above without the approval of the President, which has been amended on 11 January, 2013 enabling the Company to lease/rent agreement of spare-able capacity of buildings upto 10 years without the approval of the President. The Committee find that consequently BSNL has taken steps to monetize its real assets and a pilot project has been taken up for commercial exploitation of 10 plots of lands. The Ministry informed that on successful execution of this project, commercial exploitation of other vacant plots shall be undertaken by BSNL to generate revenue. As regards

the present status of commercial exploitation of land under pilot project and other vacant plots, the Committee have been apprised that proposal of commercial exploitation of land assets of BSNL is at the initial stage of consideration. The Committee are surprised to note the lame excuses of the Ministry that due to continued inaction at the Circle level in submitting the proposals for commercial exploitation of vacant plot and also at the Civil Wing of Corporate Office to take a decision on the proposals received, the BSNL could not make commercial exploitation of its vacant land. It is really surprising to observe that the Ministry failed miserably to take stringent action against the concerned authorities under its control in not enforcing the decisions. The Committee note with concern that the Ministry have not so far initiated any concrete action to address this issue. Due to this, the ailing Company has failed to harness their vast land resources through quick and result oriented initiatives. The Committee, therefore, desire that the BSNL needs to be proactive in this regard to earn more revenue from their vacant land by fast tracking submission of proposals for commercial exploitation of its vacant land. Inspection of vacant plots and their commercial exploitation on monthly basis must be made by BSNL and the report be submitted to the Ministry. Deterrent action for not conducting such inspections should also be taken against the delinquent officials. The Committee would like to be apprised of the details of the action taken in this regard within six months of presentation of this report.

Encroachment of Land

6. The Committee find that 8.46 lakh square meters of land in 101 plots in selected Circles was found encroached, out of which maximum no. of plots (27 plots inherited and 10 plots acquired) are in Madhya Pradesh followed by Maharashtra (14 plots inherited and 6 plots acquired). The Committee observe that there were no barbed wire/fencing/compound wall to protect the plots and no legal proceedings were initiated to evict the encroachers in certain cases. The Committee find that even the Circle authorities were not aware of the encroachment in certain SSAs. Concerned SSAs did not regularly monitor the

status of vacant plots held by them to ensure absolute protection of the properties through fencing, putting up signboards etc even though Circle Management instructed its SSAs to keep strict vigil over vacant plots to prevent encroachment. As regards number of plots cleared so far from encroachment, the Committee have been apprised that out of 101 plots, encroachment has been cleared from six plots which include one each in Tamilnadu and Kerala and four in Madhya Pradesh. Action is already underway for removal of encroachments from the remaining plots. With regard to preventing further encroachment the circles have been authorized to take preventive steps such as construction of compound walls/barbed wire fencing or watch and ward of sites having potential threat of encroachment. The Ministry further informed that since process of eviction involves local factors such as communal angle, slum rehabilitation issues, local politics and various agencies including police and NGOs etc, which causes long time before achieving the desirable results. In the Committee's opinion, the root cause of these cases of encroachments are lack of proper survey/verification of land, non-availability of proper land records and indifference to the malaise; fuelled by inactivity on the part of BSNL authorities in carrying out timely inspection, absence of compound wall or barbed wire fencing, timely identification and prevention of encroachment activities etc. The Committee, therefore, urge upon the Ministry/BSNL to formulate a comprehensive action plan both for early removal of all these encroachments and prevention of fresh encroachments. The Committee desire that a coordinated approach is also required to be taken with a view to ensuring fast vacation of encroached land. Further, responsibility of concerned officers of BSNL should also be fixed for not taking timely action on any fresh encroachment.

Sale/lease deed not executed

7. The Committee observe that in four SSAs, the Company had taken on lease 17 plots measuring 0.12 lakh square meters of land for periods ranging from 30 years to 99 years. The Company paid a premium of ₹ 0.64 crore for taking the plots on lease for the purpose of establishing Telephone Exchanges/Remote Line Unit. However, the Company did not enter into a lease agreement for the said

plots-which had resulted in avoidable payment of premium amounting to ₹ 0.64 crore and consequential loss of interest thereon. It was also observed that in five SSAs under two Circles the Company acquired 65 plots of land measuring 0.85 lakh square meters with a book value of ₹ 2.74 crore but no sale deed was executed for the same. However, the Ministry have not attributed the reasons for the same. In this regard, the Committee have now been informed that out of 82 plots, the sale/lease deed has been executed in respect of 40 plots and action is being taken for the remaining plots. The Committee observe that due to delay in execution of sale/lease deed, the BSNL has lost huge sums of revenue. The Committee, therefore, recommend that Ministry/BSNL must fix a time frame so that execution of sale/lease deed can be expedited. The Committee would also like to be apprised of the present status of the execution of sale/lease deed of its remaining lands at the earliest.

Non-submission of Alienation proposals

8. The Committee observe that the Government of Andhra Pradesh had allotted vacant lands measuring 32307.1 square meters to Telecom Department for construction of Telephone Exchanges and support services during 1981-2001 for a total consideration of ₹ 7.38 crore. For completing the transfer process, DoT/BSNL was required to procure and submit alienation proposals to the Government of Andhra Pradesh. The Committee observe that this had not been done in any of these cases either by the DoT or by the Company even after 11 years of formation of the Company. It is also observed that one of the land/plots measuring 2543 square meters for which an amount of ₹ 1.58 crore was paid as consideration was resumed by the Government of Andhra Pradesh in 2005 as the same remained vacant/unutilized since it was allotted in 1998 and was not legally transferred to the DoT/Company. No reasons have been explained by the Ministry for this omission. The Committee have now been informed that action has been initiated for alienation and mutation in a phased manner beginning with the land parcels which are not vacant. Out of 7406 plots cleared for mutation, 999

plots of land have been mutated in the name of BSNL and in order to expedite the mutation, Circle level Task Force has been constituted by Corporate Office and monthly monitoring is being done. The Committee do not feel the constitution of Task Force even after 17 years of allotment of land as appropriate and are of the opinion that strict deterrent penal action should be taken against defaulting officers for remaining inactive for such a long period. Expressing serious displeasure over this state of affairs, the Committee feel that the Ministry/BSNL owes an explanation to them as to why no action was initiated in this case for such a long time. The Committee would also like to be apprised of the present status of mutation of remaining plots.

Land surrendered without receipt of adequate compensation/allocation of alternative site

9. The Committee note that in Karnataka and Tamil Nadu Circles, BSNL had to surrender 1690.40 square meters of land with book value of ₹0.79 crore without adequate compensation/consideration. In Bengaluru (Karnataka Circle), Bangalore Mass Rapid Transport Ltd. (BMRCL) – Metro Rail Project acquired (August 2005), 557.40 square meters of land which was procured by BSNL during January 2004 at a cost of ₹ 0.79 crore. The organisation offered alternate site measuring 525.20 square meters and paid cash compensation of ₹ 7.97 lakh for unused quantum of land measuring 32.21 square meters. But the alternative plot was allotted to BSNL after a lapse of seven years i.e. on 10.10.2012. Further, in Tamil Nadu Circle (Trichy SSA) during 2003, 1133 square meters of land with a market value of ₹3.46 lakh was acquired by the National Highways Authority of India for road widening work. No compensation for land was given by the NHAI. Now the Committee have been informed that the matter is being continuously pursued and as and when the title deed is received in favour of BSNL, it would be submitted to NHAI for compensation. The Committee deplore the casual approach adopted by the BSNL authorities for taking action in this regard only after 13 years when the case was pointed out by the Audit. The Committee are constrained to point out that action taken in these cases was not only belated but

also totally inadequate. The Committee, therefore, desire that the matter be investigated with a view to taking deterrent action against the delinquent officials. An effective mechanism should also be put in place for monitoring such cases and taking timely action to receive compensation.

NEW DELHI;
16 November, 2015
25 Kartika, 1938 (*Saka*)

PROF. K.V. THOMAS
Chairperson,
Public Accounts Committee

Annexure-III
(Referred to in paragraph 5.1.6.1)

Statement of Freehold & Leasehold Plots of BSNL

Sl. No.	Name of the State	Number of Plots	Area (Sq. m.)	Acquisition Cost (Rs. Lakhs)	Number of Plots	Area (Sq. m.)	Acquisition Cost (Rs. Lakhs)	Number of Plots	Area (Sq. m.)	Acquisition Cost (Rs. Lakhs)				
1	A&N	47	41	130656	10.86	0	0	6	4794	0.62	0	0		
2	Arunachal Pradesh	134	97	53815.1	360.93	25	105528	4	6500	1.5	8	568	64.02	
3	ARJTC	1	1	329925	36.66	0	0	0	0	0	0	0	0	
4	Andhra Pradesh	1410	1086	2742275	6520.04	9	25561	314	217318.3	477.37	1	373.25	0.234	
5	Assam	279	243	510714.6	973.91	0	0	36	52139.65	32.98	0	0	0	
6	Bengaluru	90	70	475570	2099.34	4	5602	16	18091.21	492.59	0	0	0	
7	Bihar	351	322	838351.1	1057.67	1	4453	24	41552.75	248.54	4	5174	2.46	
8	Chennai TD	112	102	875730.3	1967.65	5	17754	4	3726	41.89	1	2874	0.00001	
9	Chattisgarh	235	153	724720.3	278.16	10	44270.19	64	50371.53	0.67	8	5253	0.002	
10	ETP	0	0	0	0	0	0	0	0	0	0	0	0	
11	ETK	86	82	271070.15	166.18	4	10762.12	8.06	0	0	0	0	0	
12	Gujarat	1468	970	1850770	234757.3	13	51336.92	343.11	479	473112.7	28023.62	6	12331.8	412.66
13	Haryana	225	131	906245.9	3161.9	0	0	0	100097	1307.85	0	0	0	
14	Himachal Pradesh	157	141	106150	214.31	5	4984	1.52	8947.2	16.87	2	1449	16.27	
15	Jabalpur-TTC	7	7	210451	6.99	0	0	0	0	0	0	0	0	
16	J&K	105	3	4112.36	12.84	85	267155.1	726.25	6704	2	28148.83	63.15		
17	Jarwalpudh	135	129	792502.5	1555.25	13	59559.72	112.76	12588.6	5.22	4	1426.31	4.51	
18	Karnataka	1232	931	1915685.96	1621.93	6	16356	0.00001	227624.41	351.85	2	1530	0.98	

Sl. No.	Name of Circle	No. of Poles	No. of Poles to be replaced	Area (Sq. Km)	Acquisition Cost (Rs. Lakhs)	No. of Poles to be replaced	Area (Sq. Km)	Acquisition Cost (Rs. Lakhs)	No. of Poles to be replaced	Area (Sq. Km)	Acquisition Cost (Rs. Lakhs)	No. of Poles to be replaced	Area (Sq. Km)	Acquisition Cost (Rs. Lakhs)	No. of Poles to be replaced	Area (Sq. Km)	Acquisition Cost (Rs. Lakhs)	No. of Poles to be replaced	Area (Sq. Km)	Acquisition Cost (Rs. Lakhs)	No. of Poles to be replaced	Area (Sq. Km)	Acquisition Cost (Rs. Lakhs)		
19	Kerala	725	609	1602350	2694.47	12	31304	3.78	103	177395.4	1309.38	1	1000	0.01											
20	Kolaba TD	72	66	641399	1264.38	4	4	0.00001	1	2833	42.35	1	1332	70.66											
21	Medhya Pradesh	1261	802	2578086.55	13422.65	41	119647.9	412.64	399	559539.04	23.23	19	26845.59	27.4											
22	Maharashtra	1686	1155	4122724	4304.64	136	836969.2	1485.29	376	474873.54	580.47	19	40984	410.65											
23	NE-1	242	123	337116.7	213.02	91	188282.2	0.00091	26	32516.14	85.01	2	2071.54	0.00002											
24	NE - E	196	180	520167.1	349.9	2	5767	0.00002	14	27238.21	65.05	0	0	0											
25	NT2	15	14	6581.28	46.06	1	4080	3.76	0	0	0	0	0	0											
26	NTX	148	141	1246905	672.74	7	16596.75	33.46	0	0	0	0	0	0											
27	Orissa	431	168	603867	688.74	148	570057	694.82	21	74663	119.32	94	170853	522.23											
28	Punjab	367	326	1189944.99	4550.98	10	64543	56.54	31	81542.26	760.14	0	0	0											
29	QA Bangalore	2	0	0	0	2	5907	0	0	0	0	0	0	0											
30	Rajasthan	826	696	2521931.5	4590.3	7	30130	11.58	123	147890.9	286.29	0	0	0											
31	UP (East)	741	713	2502113	4467.77	12	94468.55	90.75	16	63749.03	170.64	0	0	0											
32	UP (West)	293	251	782934.9	5093.29	10	115074	700.96	30	75364.29	724.84	1	840	0											
33	Tamil Nadu	887	764	2177557.98	4729.37	10	29012.8	5.14	110	137383.33	379.83	3	2778.8	0.48											
34	Uttaranchal	79	53	230542.8	1134.7	11	28983.18	53.27	8	15364.49	235.7	7	17124	62.6											
35	STP	10	9	8140.19	2.95	0	0	0	1	1115.24	495.35	0	0	0											
36	T & D Jabalpur	3	3	35587.1	11.92	0	0	0	0	0	0	0	0	0											
37	TF Jabalpur	20	17	33791.44	5.63	3	361549.56	5.46	0	0	0	0	0	0											
38	TF Kolkata	5	2	52230	3.01	3	90862.8	14.15	0	0	0	0	0	0											
39	TS Kolkata	1	0	0	0	1	20655	NA	0	0	0	0	0	0											

Sl. No.	Name of Circle	No. of plots	No. of residential plots	Leasehold Plots		Acquired Plots by BSNL after 1.10.2001		Leasehold Plots						
				Area (Sq. mt.)	Acquisition Cost (Rs. lakh)	Area (Sq. mt.)	Acquisition Cost (Rs. lakh)	Area (Sq. mt.)	Acquisition Cost (Rs. lakh)					
40	West Bengal	201	134	842929.5	522.6	36	177377.91	185.37	7	14070.03	69.4	4	4194	10.5
41	WTR_Mumbai	2	2	264277.3	18.9	0	0	0	0	0	0	0	0	0
42	WTR_Mumbai	10	8	6236.06	12.05	1	5806.25	5.57	1	6684.95	18.49	0	0	0
43	WTR	220	307	572508.6	433.99	12	24915.5	7.59	1	810	0.1	0	0	0
44	STR	347	313	637608.8	216.49	8	20635.49	4.06	26	3532.7	2.51	0	0	0
	Total	14982	11446	37175984.46	303931.47	748	3454758.94	6370.82	2588	3121692.88	36372.15	280	327351.92	1669.22

Note: Database referred to the Data supplied in Soft form by the BSNL Corporate Office Civil Wing excluded one Circle, i.e. IT Circle (Pune). So out of 45 Circles, details of 44 Circles were given

The data were analysed and segregated between DOT and BSNL considering 2001 as the year of acquisition for land pertaining to BSNL, unless the exact date of acquisition (on or after 1.10.2000) was found in the data base.

Sl. No.	Name of Circle	No. of plots	No. of residential plots	Leasehold Plots		Acquired Plots by BSNL after 1.10.2001		Leasehold Plots	
				Area (Sq. mt.)	Acquisition Cost (Rs. lakh)	Area (Sq. mt.)	Acquisition Cost (Rs. lakh)	Area (Sq. mt.)	Acquisition Cost (Rs. lakh)
	Indented Plots			11446	37175984.46	303932.47	748	3454758.94	6370.82
	Acquired Plots			2588	3122692.88	36372.15	280	327351.92	1669.22
	Total			14034	40298677.34	340304.62	948	3782110.86	8040.04

Annexure - III
(Referred to in paragraph 5.1.6.3)

Statement on vacant plots of covered circles

Sl. No.	Circle	Inherited			Acquired		
		Number of Plots	Area (in Sq. Mt)	Value (₹ in lakh)	Number of Plots	Area (in Sq. Mt)	Value (₹ in lakh)
1	Gujarat	114	143285.54	557.7	101	74725.45	27419.66
2	Karnataka	167	282116.9	322.75	189	149039.56	347.94
3	Kerala	37	44058.97	102.89	16	25092	281.11
4	Kolkata	3	5788	63.81	0	0	0
5	Punjab	20	45929	210.49	6	12812.24	155.73
6	Rajasthan	88	259013.84	518.12	26	26102.59	27.86
7	Tamil Nadu	24	53181.23	573.9	29	52175	147.54
8	West Bengal	4	2946	0.38	1	2732	12
9	Chennai	15	42954	396.99	4	3726	41.89
10	Andhra Pradesh	47	95839.54	1188.15	82	40658.21	17.87
11	Bihar	29	55883.99	152.05	7	10826.26	6.64
12	Maharashtra	225	369230.3	554.14	201	252643	339.74
13	Orissa	14	34624	135.52	11	33211	33.75
14	Uttar Pradesh (East)	142	330952.1	306.67	3	10405.05	9.38
15	Madhya Pradesh	59	153019.5	86.69	55	86917.16	6.84
TOTAL		988	1918822.9	5170.25	731	781065.52	28847.95

Note: Gujarat includes figures of Ahmedabad TD & Karnataka includes figures of Bengaluru TD

Summary of Vacant Plots			
	Inherited	Acquired	Total
No of Plots	988	731	1719
Area	1918822.91	781065.52	2699888.4
Book Value (₹ in lakh)	5170.25	28847.95	34018.20

Annexure - III
(Referred to in paragraph 5.1.6.3)

Statement of total Freehold & Leasehold Plots in the selected Circles of BSNL

Sl. No.	Name of Circle	Total Freehold Plots as on 31.03.2010					Acquired plots of BSNL after 1.10.2000						
		No. of Plots	Area (Sq. mt.)	Acquisition Cost (Rs. in Lakhs)	No. of Freehold Plots	Area (Sq. mt.)	Acquisition Cost (Rs. in Lakhs)	No. of Freehold Plots	Area (Sq. mt.)	Acquisition Cost (Rs. in Lakhs)	No. of Leasehold Plots	Area (Sq. mt.)	Acquisition Cost (Rs. in Lakhs)
1	Almoredabd	134	97	538813.1	25	109528	2775.72	4	6300	1.5	8	568	64.02
	Gujarat	1468	970	1830770	13	51136.9	343.11	479	473112.7	28023.62	6	12331.8	412.65
2	Andhra Pradesh	1410	1086	2742275	9	25561	0.6	314	217558.3	477.37	1	373.25	0.234
	Bengaluru	90	70	475570	4	5602	59.1	16	18091.21	492.69	0	0	0
3	Karnataka	1232	931	1915685.96	6	16356	0.00001	293	227624.41	351.83	2	1530	0.98
	Bihar	351	222	838351.1	1	4453	38.91	24	41632.75	248.94	4	5174	2.46
5	Chennai TD	112	102	875730.3	5	17764	5.34	4	3725	41.89	1	2874	0.00001
	Tamil Nadu	887	764	2177357.98	10	29012.8	5.14	110	137385.33	379.85	3	2778.8	0.48
7	Kerala	725	609	1603250	12	31304	3.78	103	177395.4	1309.38	1	1000	0.01
	Kolkata TD	72	66	641599	4	4	0.00001	1	2835	32.35	1	1339	70.56
9	West Bengal	201	154	842929.9	36	177378	185.37	7	14070.03	69.4	4	4194	10.5
	Madhya Pradesh	1261	802	2578085.55	41	136648	412.64	399	558589.04	23.23	19	26845.39	27.4

Sl. No.	Name of Circle	Plots as per dbase	Freehold Plots				Leasehold Plots				Acquired Plots by JSRY after 1.10.2000				Acquired Plots by JSRY after 1.10.2000			
			No. of Freehold plots	Area (Sq. mt.)	Acquisition Cost (BY) (₹ in lakhs)	No. of Leasehold Plots	Area (Sq. mt.)	Acquisition Cost (BY) (₹ in lakhs)	No. of Freehold plots	Area (Sq. mt.)	Acquisition Cost (BY) (₹ in lakhs)	No. of Freehold plots	Area (Sq. mt.)	Acquisition Cost (BY) (₹ in lakhs)	No. of Leasehold Plots	Area (Sq. mt.)	Acquisition Cost (BY) (₹ in lakhs)	
11	Maharashtra	1585	1155	4122724	4004.64	136	816569	1485.29	376	474873.54	580.47	19	40584	410.65				
12	Orissa	431	168	603857	588.74	148	570057	594.82	21	74663	119.32	94	170853	522.23				
13	Punjab	367	326	1186944.95	4510.95	10	64540	56.64	31	81562.24	760.14	0	0	0				
14	Rajasthan	825	656	2521951.5	4590.3	7	30130	11.58	123	147890.9	286.29	0	0	0				
15	UP (East)	741	715	2502113	4467.77	12	94468.6	90.75	16	65749.03	170.64	0	0	0				
	Total	11994	9031	28058195.38	289290.76	479	2183912	4668.79	2321	2723814.08		0	0	0				

Annexure-IV
(Referred to in paragraph 5.1.6.3)

Statement on vacant land procured by BSNL after its formation

(₹ in lakh)

Circle	SSA	No of plots	Area	Year of Acquisition	Mode of Acquisition	Cost of Acquisition
			(Sq.Mt)			
Maharashtra	Kalyan	1	6596.2	2003	Lease	211.24
		4	15000	2001 & 2007	Purchase	25.4
	Pune	13	28900	2001 to 2007	Purchase	76.74
	Sholapur	40	41751	2001 to 2003	Purchase	23.66
	Nanded	3	3245.66	2001	Purchase	0.02
Kerala	Thiruvananthapuram	1	2252	2007	Purchase	11.56
	Kannur	1	2400	2003	Purchase	13.27
	Trichur	1	1447	2009	Purchase	15.01
Tamilnadu	Cuddalore	1	526	2001	Purchase	0.53
	Coimbatore	1	2023	2001	Purchase	0
	Dharmapuri	2	1512.08	2001 & 2006	Purchase	0.1
	Kumbhakonam	2	3482	2001 & 2008	Purchase	1.8
	Salem	5	6181.17	2000 to 2008	Purchase	2.93
	Tanjore	1	607	2002	Purchase	0
	Trichy	5	7600	2002 & 2004	Purchase	4.87
	Vidhnanagar	1	2387.14	2001	Purchase	0
	Vellore	2	2827.69	2001	Purchase	0.36
	Tutikorin	1	2023	2000	Purchase	0.001
Chennai Telephones	Chennai	1	888	2000	Purchase	4.55
Karnataka	Chikmagalur	3	2590.21	2001 & 2002,	Purchase	0
	Dharwad	2	17195.28	2003	Purchase	42.47
	Shimoga	17	6667.85	2002 to 2011	Purchase	14.27
	Bangalore	8	6676.89	2001	Purchase	172.93
Punjab	Chandigarh	1	836	2009	Purchase	45.15
	Hoshiarpur	1	2841	2002	Purchase	22.5
Kolkata Telephones	Kolkata	1	1338.31	2003	Lease	70.67
TOTAL		119	169794.48			760.031

Annexure - V

(Referred to in paragraph 5.1.6.4)

Statement of encroachment of Land in covered SSAs

Sl. No.	Name of Circle	No. of SSA Covered	Name of SSA where encroachment established	No. of Plots encroached	Inherited as encroached		No. of Plots encroached	Inherited Plots where encroachment took place after 1.10.2000		No. of Plots encroached	Encroachment of Fresh acquired land after 1.10.2000	
					Area (in Sq. Mts)	BV (₹ in lakh)		Area (in Sq. Mts)	BV (₹ in lakh)		Area (in Sq. Mts)	BV (₹ in lakh)
1	Madhya Pradesh	3	Morena	-	-	-	1	2717	0.00025	-	-	-
			Indore	6	12848	0.75125	-	-	-	-	-	-
			Sholapur	-	-	-	1	563	NA	-	-	-
2	Maharashtra	5	Pune	-	-	-	-	-	-	-	-	-
			Nanded	2	1914	NA	-	-	-	2	1580	NA
			Rajgad	1	73.65	0.00251	-	-	-	-	-	-
3	Karnataka	4	No Encroachment	-	-	-	-	-	-	-	-	
4	Punjab	3	No Encroachment	-	-	-	-	-	-	-	-	-
			Himmatnagar	1	4850	4.12	-	-	-	-	-	-
5	Gujarat	4	Surat	1	1000	1.05	-	-	-	-	-	-
			Junagadh	1	629.11	5.13	-	-	-	-	-	-
6	West Bengal	3	Calcutta SSA	-	-	-	1	36421.71	0.29	-	-	-
7	Andhra Pradesh	3	Hyderabad TD	1	10000	35.64	-	-	-	-	-	-
8	Bihar	1	Patna	2	81343	0.002	-	-	-	-	-	-
9	Chennai TD	1	No Encroachment	-	-	-	-	-	-	-	-	-

Sl. No.	State	No. of SSA	Name of SSA	No. of plots encroached	Inherited as encroached		No. of plots encroached	Inherited plots where encroachment took place after 1.10.2000		No. of plots encroached	Encroachment of fresh acquired land after 1.10.2000	
					Area (in Sq. Mts)	BV (₹ in lakh)		Area (in Sq. Mts)	BV (₹ in lakh)		Area (in Sq. Mts)	BV (₹ in lakh)
10	Tamil Nadu	17	Cuddalore Tirchi	-	-	-	-	-	-	1	550	0.7458
11	Kerala	11	No Encroachment	-	-	-	-	-	-	1	1700	0.12
12	Kolaha TD	1	CTD	-	-	1	2399	-	-	-	-	-
13	Rajasthan	4	Bharatpur	1	3743	-	4.03	-	-	-	-	-
			Udaipur	1	2132	-	19.35	-	-	-	-	-
			Jaipur	1	1000	-	0.00001	-	-	-	-	-
14	Uttar Pradesh (East)	5	Balix	3	4542.01	-	30.58	-	-	-	-	
15	Odisha	2	No Encroachment	-	-	-	-	-	-	-	-	
Total SSAs				67	124074.8	100.65577	4	42500.71	0.29025	4	3830	0.8658