

CHAPTER III LAND REVENUE

3.1 Results of audit

Test check of the records of land revenue in District Land and Land Reforms offices (DL and LRO) conducted during the year 2008-09, indicated underassessment, non/short realisation of revenue etc. amounting to Rs. 237.44 crore in 72 cases, which could be classified under the following categories:

(Rupees in crore)

Sl. no.	Categories	No. of cases	Amount
1.	Non-realisation of rent and <i>salami</i> due to non-settlement of land	26	234.16
2.	Non-realisation of rent and cess	11	0.24
3.	Loss/blockage of revenue due to non-settlement of <i>sairati</i> interest	3	0.09
4.	Other irregularities	32	2.95
Total		72	237.44

During the course of the year 2008-09, the department accepted underassessments and other deficiencies of Rs. 228.05 crore in 30 cases. An amount of Rs. 16.66 crore involved in six cases was realised at the instance of audit during the year.

A few illustrative audit observations involving Rs. 37.34 crore are mentioned in the succeeding paragraphs.

3.2 Audit observations

Scrutiny of the records of various DL and LR offices indicated several cases of non-compliance of the provisions of the West Bengal Estate Acquisition (WBEA) Act 1953 and West Bengal Land and Land Reforms (WBL and LR) Manual 1991, as mentioned in the succeeding paragraphs in this chapter. These cases are illustrative and are based on test check carried out in audit. Such omissions are pointed out in audit repeatedly, but not only do the irregularities persist, these also remain undetected till an audit is conducted. There is need for the Government to improve the internal control system so that recurrence of such cases can be avoided.

3.3 Non-realisation of revenue due to failure to resume the vested land of closed mills

Under the provisions of the West Bengal Estate Acquisition (WBEA) Act, 1953, all rights of the intermediary¹ in estates including land with mills, factories etc. are vested in the State, free from all encumbrances, with effect from 14 April 1955. According to the provisions, the Government may allow the intermediaries to retain the land with mills/factories etc., to the extent of requirement and resume the excess land. In terms of the Government order of May 2004, the land so resumed may be settled with the prospective lessees or the unauthorised occupiers/illegal transferees, if any, on long term lease basis on realisation of *salami*² and rent.

Scrutiny of the records of three DL and LROs³ between January and March 2009 indicated that 103.88 acres of land in five mills/factories established prior to 14 April 1955 were allowed to be retained by the intermediaries, even after their closure between 1990 and 2004. The intermediaries had transferred the land illegally. Failure of the department to review the requirement of land held by the mills/factories and resume the excess land resulted in non-monitoring of the cases. Thus, action to restore the land after the closure of the mills and settle it with illegal transferees on long term lease basis beyond 30 years also could not be taken. This resulted in non-realisation of *salami* and rent of Rs. 36.29 crore at the prevailing market value as detailed below :

Sl. no.	Particulars of the mill, factory etc. with their vesting and retention order numbers	Year of closure	Year of Sale/transfer/encroachment	Area of land transferred (in acres)	Non-realisation of rent ⁴ and <i>salami</i> (Rupees in crore)
1.	Bhubneshwari Rice Mill, Howrah Number (not available)	NA	Prior to 3/02	9.13	0.03 0.35
2.	Prem Chand Jute Mill, Howrah Number (not available)	NA	Prior to 9/03	68.75	1.15 11.47

¹ Intermediary means a proprietor, tenure holder, under tenure holder or any other intermediary above a *raiyat*.

² *Salami* is one time payment of 40 per cent of the market value of land for long term settlement.

³ Howrah, North 24-Parganas and South 24-Parganas.

⁴ Rent calculated for 2005-08 in the case of Sl. No. 4 and in other cases for 2007-08.

3.	Bhagirathi Rice Mill, Howrah (No. 4492-L.Ref. dt. 29-03-65)	2004	Converted to Brick Field.	9.96	0.07 0.71
4.	Aluminium Mfg. Co. Ltd., North 24 parganas (No. 19066-L.Ref dt. 11-11-63)	NA	N.A	14.71	6.16 15.42
5.	Eagle Plywood Industries Pvt. Ltd., South 24 Parganas (No. 19088-L.Ref dt. 11-11-63)	Abandoned since 1990	N.A	1.33	0.08 0.85
Total				103.88	36.29

The Government to whom the cases were forwarded between February and March 2009 stated (July 2009) that the process of resumption in four cases involving Rs. 14.71 crore could not be taken up due to the review petition filed before the Supreme Court on the judgement passed by the High Court on 24 February 2009. In the remaining case involving Rs. 21.58 crore, the Government stated in November 2009 that Rs. 14.20 crore had been realised. Report on realisation of the balance amount has not been received.

3.4 Non-realisation of rent and *salami* due to non-settlement of land

As per the provisions of the West Bengal Land and Land Reforms (WBL and LR) Manual 1991, settlement of Government land for non-agricultural purpose shall ordinarily be made for a period of 30 years with the prospective lessee. The lease proposal is to be completed within five months from the date of receipt of proposal and the lease agreement is to be executed within the date specified in the sanction order on realisation of *salami* and rent for the first year.

Scrutiny of the records of three DL and LROs⁵ between March and September 2008 indicated that five individuals and one school had been unauthorisedly occupying 4.97 acres of the Government land for different periods since 1967. The occupiers applied for long term settlement of the land between January 2002 and August 2005. The department had neither finalised the cases even after lapse of 36 to 80 months, nor taken action to evict the unauthorised occupiers. This resulted in non-realisation of revenue of Rs. 44.50 lakh (rent: Rs. 14.45 lakh and *salami*: Rs. 30.05 lakh).

After the cases were pointed out, the DL and LROs, Darjeeling and Burdwan (West) stated, between March and September 2008, that action was being taken to settle the land in two cases involving Rs. 29.67 lakh. Further report has not been received (September 2009). The DL and LRO, Hooghly has not furnished any reply in the remaining cases involving Rs. 14.83 lakh (October 2009).

⁵ Burdwan (West), Darjeeling and Hooghly.

The cases were forwarded to the Government between May and October 2008, followed by reminders issued up to June 2009; their reply has not been received (October 2009).

3.5 Non-realisation of rent and cess from land used for commercial purposes

West Bengal Land Reforms (WBLR) Act, 1955, provides that *raiyats*⁶ using land for commercial purposes in rural areas are liable to pay land rent at the prescribed rate⁷. Various kinds of cess⁸ are also realisable on land rent payable by the *raiyats*. Further under the provisions of the WBL and LR Manual, rent is payable yearly according to the Bengali calendar and falls due on the last day of the year in respect of which it is payable. The *bhumi sahayaks* posted in the revenue inspector's office under the Block Land and Land Reforms (BL and LR) offices are responsible for collection of land rent.

Scrutiny of the records of the DL and LRO, Bankura in August 2008 indicated that 12 *raiyats* under four BL and LROs used 237.83 acres of land for commercial purposes for the period between 1410 BS⁹ (2003-04) and 1414 BS (2007-08). Although, the *raiyats* did not pay the annual rent and cess of respective years, the district authority did not initiate action to realise the dues. This resulted in non-realisation of rent and cess of Rs. 35.14 lakh.

The Government to whom the cases were forwarded in September 2008 admitted (July 2009) the audit observations in four cases involving Rs. 32.24 lakh. Report on further development has not been received (October 2009). In the remaining eight cases involving Rs. 2.90 lakh, the reply furnished by the government did not touch upon the issue raised by audit.

3.6 Loss/non-realisation of lease rent due to non-settlement of *sairati* interest

Under the provisions of the WBL and LR Manual, 1991, all *sairati*¹⁰ interest fisheries, *khal*¹¹ etc., should be leased out on year to year basis for a period not exceeding seven years. The Collector of the district is required to fix the economic rent and realise 25 per cent thereof at the time of settlement of *sairati* interests and the balance before the beginning of the year. The rent for the successive years is to be deposited by the lessee in full before the beginning of the respective year under a lease agreement to be executed beforehand.

Scrutiny of the records of four DL and LROs¹² between August 2006 and August 2008 indicated that in 16 cases water areas of 218.91 acres were not

⁶ *Raiyat* means a person or an institution holding land for any purpose.

⁷ Rs. 2,000 per acre per annum.

⁸ Road cess: 6 paise, public works cess: 25 paise, education cess: 10 paise, rural employment cess: 30 paise and surcharge: 15 paise.

⁹ Bengali Saka.

¹⁰ Derived from the word *Sair*. The duties which the owners of *hat*, *bazar*, markets, ferries, fisheries etc. used to levy on commodity sold or benefits derived from these places were designated as *sair* collection. Such *hat*, ferries, etc. are known as *sairati* interests.

¹¹ *Khal* means large water channel.

¹² Cooch Behar, Hooghly, Murshidabad and Tamluk.

leased out during the period 2003-04 to 2007-08 resulting in loss of revenue of Rs. 8.04 lakh. In another 13 cases, water areas of 323.63 acres and nine water bodies were leased out, but the lease rent of Rs. 7.24 lakh has not been realised. This resulted in loss/non-realisation of revenue of Rs. 15.28 lakh.

After the cases were pointed out, the DL and LRO, Coochbehar in four cases involving Rs. 1.73 lakh stated (August 2006) that steps would be taken to realise the dues. Further, report on realisation has not been received (September 2009). The DL and LRO, Murshidabad in nine cases involving Rs. 5.51 lakh stated (September 2008) that the matter was being examined. The DL and LROs, Tamluk and Hooghly did not touch upon the issue raised by audit in the remaining 16 cases involving Rs. 8.04 lakh (October 2009).

The cases were forwarded to the Government between December 2006 and October 2008, followed by reminders issued upto June 2009; their reply has not been received (October 2009).

3.7 Short realisation of cess from *patta* holders

As per provisions of the Cess Act, 1880 read with the West Bengal Primary Education Act, 1973, road cess, public works cess and education cess are realisable on land rent payable by the *raiyats* at the rate of 41 paise¹³ per rupee of land rent. *Raiyats* exempted from paying land rent are also liable to pay all the above cess. The *bhumi sahayaks* posted in the revenue inspector's office under the BL and LR offices are responsible for collection of the cess from such *raiyats*.

Scrutiny of the records of three DL and LROs¹⁴ between October 2007 and September 2008 indicated that in 21 BL and LROs, *pattas*¹⁵ of 50,796 acres of land were given to 1,47,529 landless persons on *raiyati* basis. These persons were liable to pay cess of Rs. 12.80 lakh on the notional rent of the land for the period between 1411 BS (2004-05) and 1414 BS (2007-08) against which Rs. 2.40 lakh had been paid. The *bhumi sahayaks* responsible for collection of the cess did not take steps to recover the balance amount which resulted in short realisation of cess of Rs. 10.40 lakh.

After the cases were pointed out, the district authorities stated between November 2007 and September 2008 that BL and LROs had been asked to take action for realisation of the cess from the *patta* holders. Report on further development has not been received (October 2009).

The cases were forwarded to the Government between December 2007 and October 2008 followed by reminders issued up to June 2009; their reply has not been received (October 2009).

¹³ Road cess: 6 paise, public works cess: 25 paise and primary education cess: 10 paise.

¹⁴ Burdwan (West), Murshidabad and South 24-Parganas.

¹⁵ A document evidencing lawful possession of land by a person.