

## CHAPTER- V: LAND REVENUE

### 5.1 Results of audit

During 2009-10 our test check of the records of 40 offices dealing with land revenue in 10 districts revealed short/non-realisation and loss of land revenue and other irregularities involving ₹ 0.55 crore in 19 cases which fall under the following categories:

( Rupees in crore )

Sl. No.	Categories	Number of cases	Amount
1.	Working of Revenue and Land Reforms Department (A review)	01	0.52
2.	Other cases	18	0.03
<b>Total</b>		<b>19</b>	<b>0.55</b>

The Department accepted under-assessment and other deficiencies of ₹ three lakh in 18 cases pointed out by us during the year 2009-10. Recovery has not been made in these cases.

A review on the **Working of Revenue and Land Reforms Department** with financial impact of ₹ 0.52 crore is mentioned in the following paragraph:

## 5.2 Working of Revenue and Land Reforms Department

### Highlights

- The Department could not computerise the land revenue activities, although a sum of ₹ 6.56 crore was allotted to the Deputy Commissioners during 2007-08 and 2008-09.  
**(Paragraph 5.2.7.3)**
- Central Coal Fields and Bharat Coking Coal Limited sold/dispatched sludge/slurry valued at ₹ 291.02 crore. This sludge/slurry was not settled as *sairat* resulting in loss of revenue to the Government.  
**(Paragraph 5.2.7.4)**
- In six offices 921.5946 acres of *Khas Mahal* land valued at ₹ 1,092.44 crore remained under the illegal occupation of 2,939 persons who did not renew their leases.  
**(Paragraph 5.2.7.5)**
- No action was taken by the Government for eviction of 209 persons who had encroached 13.7745 acres of public land.  
**(Paragraph 5.2.7.6)**
- Out of 12,708.59 acres of land leased to TISCO in 1956 it applied for renewal in respect of 10,852.27 acres of land. The remaining 1,786.89 acres of land was completely under encroachment. Buildings, community hall, temple etc. were constructed on this encroached land.  
**(Paragraph 5.2.7.7)**
- In Chaibasa, leases in respect of 796.79 acres of land under the occupation of two companies were not renewed resulting in blocking of revenue of ₹ 61.46 crore.  
**(Paragraph 5.2.7.8)**
- Non-settlement of surplus *gairmazarua* land/*bhoodan yagna* land resulted in loss of revenue of ₹ 4.10 crore during 2004-05 to 2008-09.  
**(Paragraphs 5.2.8.1 and 5.2.8.2)**
- Failure to raise the demand of *Salami* and rent against Bharat Coking Coal Limited and Damodar Valley Corporation resulted in non-realisation of revenue of ₹ 2.34 crore.  
**(Paragraph 5.2.8.4)**

### 5.2.1 Introduction

Land revenue is one of the oldest sources of revenue of the Government. The system evolved by the British Government was mainly *Zamindari* under permanent settlement. The *Zamindars* (intermediaries) were recorded as proprietors and were empowered to levy and collect rent from the tenants.

After enactment of the Bihar Land Reforms (BLR) Act, 1950 all intermediary interest in permanently settled areas including interest in trees, forests, fisheries, *jalkars*, ferries, *hats*, *gairmazarua*<sup>34</sup> (GM) land and mines and minerals was abolished and vested in the State and the management of such areas directly came under the State Government. The purpose of the Act was to enable levy and collection of rent directly by the Government in accordance with the existing tenancy laws. Thus, the Act made a direct link between the State and the tenants and assessment and collection of land revenue came under the direct control of the State.

The last survey settlement in the plain areas of the State was conducted in the first decade and in the hilly tracks of Chotanagpur during the third decade of the twentieth century. No fresh survey and settlement for the State as a whole has been conducted so far. As a result of non-revision of rent, the collection of land revenue became almost static. The main sources of land revenue are as under:

- land rent and cess from tenants of *raiyati* land;
- *salami*<sup>35</sup>, land rent<sup>36</sup> and cess<sup>37</sup> from settlement of excess *khas mahal*<sup>38</sup> and *gairmazarua* land; excess land from application of Ceiling Act and land obtained under *bhoodan yagna*;
- *salami*, land rent and cess from renewal/settlement of lease of *khas mahal* land for residential and commercial purposes; and
- revenue from auction of *hat*, *bazaar*, fair, bus stand, ferry and sludge or slurry etc.

### 5.2.2 Audit criteria

The performance audit was conducted with reference to the provisions made under the various laws governing land revenue management in the State. These are:

1. Bihar Tenancy Act, 1885;
2. Chotanagpur Tenancy Act, 1908;
3. Santhal Paragana Act, 1949;
4. Bihar Land Reforms Act, 1950;
5. Bihar Land Reforms (fixation of ceiling area and acquisition of surplus land) Act, 1961;

<sup>34</sup> Uncultivated and unsettled land belonging to the government. It can be settled to the *raiyats* as per rules.

<sup>35</sup> *Salami* is the market value of the land. It is a share in the increase of value anticipated during the period of lease.

<sup>36</sup> Land rent = *malguzari*

<sup>37</sup> Cess means a 'local rate' leviable on land and payable by *raiyats* under various cess Acts viz., Road cess, Education cess, Health cess and Agricultural Development Cess.

<sup>38</sup> The estates under the direct possession/management of the Government.

6. Bihar *Bhoodan Yagna* Act, 1954;
7. Bihar Government Estate (*Khas Mahal*) Manual, 1953;
8. Bihar Public Land Encroachment Act, 1956;
9. Bengal Cess Act, 1880; and
10. Executive Orders issued by the Revenue and Land Reforms Department, Government of Bihar/Jharkhand from time to time.

### 5.2.3 Organisational set up

The laws governing land revenue in Jharkhand are administered by the Secretary/Commissioner of the Revenue and Land Reforms Department. All important cases of settlement, framing of policies and sanction of alienation of the Government land are decided at the Government level. The State is divided into five divisions<sup>39</sup> each headed by a Divisional Commissioner and 24 districts<sup>40</sup> each headed by a Deputy Commissioner. At the district level the Deputy Commissioner is assisted by the Additional Collector/Additional Deputy Commissioner (AC/ADC). Each district is divided into sub-divisions headed by a Sub-Divisional Officer (SDO) who is assisted by a Deputy Collector Land Reforms (DCLR). The sub-divisions are divided into circle/ *anchal* each headed by a Circle Officer (CO)/*Anchal Adhikari* (AA). The main pivot of the machinery for assessment and collection of land revenue is the CO/AA. There are 36 SDOs and 210 COs in the State of Jharkhand.

All cases of settlement of land, *Sairats*<sup>41</sup>, assessment, collection, remission etc. are initiated at the level of the CO. All initial accounts and records of settlement, assessment, collection, details of tenancy etc. are maintained in the circle offices.

### 5.2.4 Audit objectives

The main objectives of the performance audit were to assess whether;

- systems adopted for settlement/renewal of *khas mahal* land, excess *gairmazarua* land, implementation of Ceiling Act and distribution of land obtained under the *bhoodan yagna* were adequate and efficient and timely action was taken for renewal of lease/settlement to avoid loss of revenue;
- systems adopted for settlement/auction of sludge or slurry, *hat*, *bazaar*, *mela*, ferry service and bus stand were adequate and effective;
- implementation of IT systems in the Department was efficient and effective; and
- internal controls were adequate, effective and efficient.

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<sup>39</sup> South Chotanagpur (Ranchi), North Chotanagpur (Hazaribag), Santhal Parganas (Dumka), Palamu (Medininagar) and Singhbhum (Kolhan Division, Chaibasa).

<sup>40</sup> Bokaro, Chatra, Dhanbad, Dumka, Deoghar, East Singhbhum, Garhwa, Godda, Giridih, Gumla, Hazaribag, Jamtara, Koderma, Khunti, Latehar, Lohardaga, Pakur, Palamu, Ramgarh, Ranchi, Sahebganj, Saraikela, Simdega and West Singhbhum.

<sup>41</sup> Sairat means the right and interest in respect of revenue earning *hat*, *bazaar*, *mela*, trees, ferries etc.

### 5.2.5 Audit scope and methodology

The performance audit on the working of the Revenue and Land Reforms Department of the Government of Jharkhand for the period from 2004-05 to 2008-09 was conducted between January and May 2010.

We collected district-wise data of demand raised and revenue collected of all the 24 districts in the State. We selected 10 districts<sup>42</sup> for audit after conducting risk analysis<sup>43</sup>. In addition, 40 circle offices<sup>44</sup> were selected from amongst the selected districts taking into account a combination of rural and urban areas, mining areas, industrial areas, *khas mahal* and GM land etc. for detailed audit.

### 5.2.6 Acknowledgment

We would like to place on record our appreciation for the co-operation extended by the Revenue and Land Reforms Department in supplying files/records and information called for by audit from time to time. We held an entry conference with the Principal Secretary, Revenue and Land Reforms Department on 16 April 2010 where we apprised him of the audit objectives, scope and methodology of the review. We reported the audit findings, noticed as a result of test check, to the Department in July 2010. We also held an exit conference to discuss the audit findings with the Secretary, Revenue and Land Reforms Department on 25 November 2010. The replies received during the exit conference and at other points of time have been appropriately incorporated in the relevant paragraphs.

### 5.2.7 System deficiencies

#### 5.2.7.1 Trend of revenue receipts

According to the provisions of the Bihar Financial Rules, Vol. I (adopted by the Government of Jharkhand) the responsibility for preparation of budget estimates of revenue receipts is vested in the Finance Department. However, the material for the budget estimates is obtained from the concerned administrative department which is responsible for the correctness of the material. In case of fluctuating revenue the estimates should be based on a comparison of the last three years' receipts.

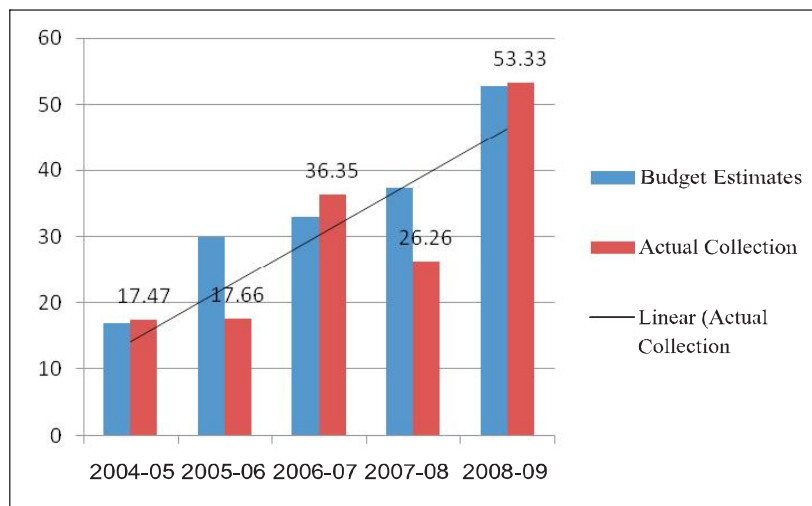
Framing of the budget estimates (BEs) is an important part of the financial planning of the Government. It is, therefore, necessary that the budget estimates should be as close as possible to the actuals. However, an analysis of the budget estimates and the actual collection of

land revenue for the period from 2004-05 to 2008-09 indicated wide variations as mentioned in the following table:-

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- 42 Bokaro, Chatra, Dhanbad, East Singhbhum, Garhwa, Hazaribag, Ranchi, Sahebganj, Saraikela-Kharsawan and West Singhbhum.
- 43 Risk analysis based on the demand raised and actual collection. We not only selected the districts from which demands and collections were the highest but also selected districts where the achievements were low.
- 44 Bermo, Bhavnathpur, Bhandariya, Chatra Sadar, Chas, Chiniya, Chaibasa Sadar, Chakradharpur, Dhanbad Sadar, Dhurki, Govindpur, Giddhore, Gomia, Garhwa Sadar, Hazaribag Sadar, Hunterganj, Itkhori, Jaganathpur, Jharia, Jugsalai-cum-Golmuri, Kanke, Lawalong, Meral, Majhiawan, Manoharpur, Nirsa, Nagaruntari, Noamundi, Pratappur, Pathalgadda, Potka, Patamda, Ranchi Sadar, Ranka, Ratu, Ramkanda, Simaria, Sahebganj Sadar, Saraikela Sadar and Tandwa.
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(Rupees in crore)

Year	Budget estimates	Actual collection	Variation increase (+)/shortfall (-)	Percentage of variation
2004-05	16.96	17.47	(+) 0.51	(+) 03
2005-06	30.00	17.66	(-) 12.34	(-) 41
2006-07	33.00	36.35	(+) 3.35	(+) 10
2007-08	37.45	26.26	(-) 11.19	(-) 30
2008-09	52.75	53.33	(+) 0.58	(+) 01



Thus, collection of revenue during 2005-06 and 2007-08 was 41 and 30 per cent lower than the BEs. The wide variation indicated that the BEs were not realistic. We were not informed of the basis on which the Budget Estimates were prepared despite being requested.

After we pointed this out, the Department in the exit conference stated that the BEs are fixed by the Finance Department and actual collection depends on number of extension of old leases and new settlement/lease of *Khas Mahal* and *GM khas* land which cannot be anticipated in advance. The reply of the Department, however, did not indicate whether the BEs were prepared in accordance with the provisions of the Budget Manual as in case of fluctuating revenue the estimates should be based on a comparison of the last three years' receipts.

**We recommend that the Government may issue suitable instructions to the Revenue and Land Reforms Department for preparing the BEs on a realistic and scientific basis and ensure that these are close to the actual receipts.**

### 5.2.7.2 Arrears of Land Revenue and Non-finalisation of certificate cases

According to the Bihar Tenancy Act, land rent payable by a tenant is to be paid in four equal instalments falling due on the last day of each quarter of the agricultural year. Rent not paid in time was deemed to be outstanding arrear of land revenue at the end of the agricultural year and was recoverable through certificate proceedings under the Public Demand and Recovery (PDR) Act, 1914.

We noticed that each AC/ADC was submitting annual return in Form IA<sup>45</sup> to the Government. But the returns were not being consolidated/compiled by the Government to ascertain the total amount of outstanding arrears of land revenue at the end of the agricultural year.

We worked out the outstanding arrears of revenue on the basis of the returns. It amounted to ₹ 162.40 crore as on March 2009. This is exclusive of certificate cases filed for recovery of old outstanding dues of land revenue pending collection. Year wise details are mentioned below:

(Rupees in crore)

Year	Opening balance	Addition	Total outstanding arrears	Clearance	Closing Balance	Percentage of clearance of arrears to total arrears
2004-05	151.75	5.33	157.08	4.71	152.37	3.00
2005-06	152.37	12.25	164.62	12.63	151.99	7.67
2006-07	151.99	17.45	169.44	16.29	153.15	9.61
2007-08	153.15	17.28	170.43	15.20	155.23	8.92
2008-09	155.23	20.35	175.58	13.18	162.40	7.51

After we pointed out this, the Department stated in the exit conference that arrears amounting to ₹ 151.05 crore outstanding against TATA lease is sub-judice in the High Court. We have not received a copy of the suit filed despite being requested. During the last five years the Department cleared arrears of ₹ 62.01 crore while the addition of arrears was ₹ 72.66 crore.

**We recommend that the Government may consider maintaining a data base of arrears of revenue and ensure their speedy recovery.**

### 5.2.7.3 Computerisation of land records

The Government of Jharkhand decided (2002-03) to computerise land records (CLR) through a 100 *per cent* centrally sponsored scheme of Government of India (GOI) with a view to overcome the inherent problems in the manual system of maintenance and updating of land records and to provide rights of computerised copies of records to the land owners to fulfill the objective of good governance of the State. Mention was made in Paragraph 3.3 of the Audit Report (Civil) 2006-07-Government of Jharkhand regarding non-achievement

<sup>45</sup> Form IA is a return showing the amount of outstanding arrears of land revenue at the end of each agricultural year submitted by *anchal adhikari* to the Secretary, Revenue Department through the Collector/Deputy Collector.

of the objectives of the scheme. During the course of the present audit we noticed that a sum of ₹ 6.56 crore<sup>46</sup> was allotted to the Deputy Commissioners of the 24 districts of the State during the period 2007-08 and 2008-09. The Department paid ₹ 23.67 lakh for data entry work at Ranchi district between February 2008 to December 2009 and surrendered an amount of ₹ 2.08 crore in March 2010. The details/status of the balance amount of ₹ 4.24 crore lying with Deputy Commissioners were not furnished. Thus the computerisation of land records was done only in Ranchi district.

Thus, even after a lapse of seven years after purchase of computer hardware, the CLR could not be achieved. The Department accepted the facts in the exit conference and stated that early action will be taken for computerisation of land records.

**We recommend that the Government may complete the CLR with a view to overcoming the inherent problems in the manual system of maintenance and updating of land records and to provide good governance of the State.**

#### **5.2.7.4 Non-settlement of *sairat* on sludge or slurry**

As per the provisions contained in the Bihar Estate (*Khas Mahal*) Manual, sludge or slurry may appropriately be settled as *sairat*. The Government decided in September 1987 that sludge or slurry should be treated as *sairat* and settled by the Revenue and Land Reforms Department.

We obtained the figures of sludge and slurry from the Central Coal Fields (CCL) and Bharat Coking Coal Limited (BCCL) for the period 2004-05 to 2008-09 and found that the companies sold/despached sludge/slurry<sup>47</sup> valued at ₹ 291.02 crore obtained from coal washeries during this period. This sludge or slurry obtained was not settled as

*sairat* as the Department was unaware about the settlement of sludge or slurry as *sairat*. This resulted in loss of revenue of ₹ 291.02 crore to the Government.

After we pointed this out, the Department stated in the exit conference that the legality of the point would be examined and action would be taken accordingly.

**We recommend that the Government may issue directions to the Department to ensure settlement of sludge/slurry as *sairat* in the interest of the revenue.**

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<sup>46</sup> ₹ 3.30 crore received on 28.01.2008 for digitisation of revenue village map and ₹ 3.26 crore received on 27.03.2010 for data entry work.

<sup>47</sup> Sludge/slurry: Sludge and slurry is a fluid liquid produced when coal is washed with water and chemicals. It contains fine particles of coal and other minerals.



### 5.2.7.5 Non-renewal of lease of *khas mahal* land

According to the Bihar Government Estates (*Khas Mahal*) Manual and rules framed thereunder for grant of lease, the State Government was required to issue notices to the lease holders six months prior to expiry of the lease to apply for renewal of such leases. Further, the lessee was required to apply for renewal of his lease three months prior to its expiry. A lessee who continued to occupy leasehold property without renewal of lease and payment of rent was to be treated as a trespasser and had no claim for renewal on the basis of past terms and conditions.

On fresh lease for residential/commercial purposes, *salami* at the current market value of land besides annual rent at the rate of two *per cent* for residential and five *per cent* for commercial of such *salami* was leviable. The Government issued instructions in July 2004 to all the Deputy Commissioners to take action for renewal of pending cases within three months.

Our test check of the records revealed that in four AAs<sup>48</sup> and two AC<sup>49</sup> offices 921.5946 acres of *Khas Mahal* land held by 2,939 lessees for a period of 30 years was not renewed after their expiry between 1956 and 2008. The lessees or their heirs continued to occupy the leasehold property without payment of rent and without renewal of lease. Neither did the lessees apply for fresh lease nor did the Department issue notices to the lessees for executing lease deeds or take steps to evict them. Thus, land valued at ₹ 1,092.44 crore remained under the illegal occupation of encroachers.

After the cases were pointed out between February and

May 2010, the Land Reforms Deputy Collector/AC stated (May 2010) that instructions would be issued to all AAs and related officers for renewal of expired leases. Further, in the exit conference held the Department accepted the delay in finalisation of the renewals and stated that action is in progress in this regard.

### 5.2.7.6 Non- eviction/settlement of public land under encroachment

Under the Bihar Public Land Encroachment Act (BPLE Act), if a person encroaches upon any public land, he may be evicted or the land may be settled with such person on payment of rent and damages as per the rules laid down in Bihar Government Estate (*Khas Mahal*) Manual. Further, in case of settlement of public land for residential/commercial purposes, *salami* equal to the prevailing market value of such land together with annual residential/ commercial rent at the rate of two/five *per cent* of *salami* is payable.

We test checked the records of 10 selected units which revealed that 209 persons had encroached 13.7745 acres of public land belonging to the Government in 10 circle offices<sup>50</sup> and used it for residential purposes during the period 1996-97 to 2008-09. The encroachments were neither evicted nor settled with the encroachers. In some cases the Department had issued show

cause notices for eviction, but we did not find anything on record to indicate that eviction in any case had been done.

<sup>48</sup> Chaibasa, Chakradharpur, Jaganathpur and Noamundi.

<sup>49</sup> Garhwa and Hazaribag.

<sup>50</sup> Bermo, Bhawnathpur, Chas, Chaibasa, Chakradharpur, Chatra, Garhwa, Jamshedpur, Nagaruntari and Saraikela.

After being pointed out the Department accepted the point in the exit conference and stated that action would be taken either to evict the encroachers or settle the encroached land.

#### **5.2.7.7 Encroachment of land of erstwhile Tata lease, Jamshedpur**

The Government of Jharkhand, Revenue and Land Reforms Department leased out (January 1956) 12,708.59 acres of land to TISCO, free from encroachment, for a period of 40 years which expired in December 1995. Prior to expiry of the lease, TISCO applied (August 1995) for renewal of lease for a further period of 30 years for an area of 10,852.27 acres only and requested for excluding an area of 1,786.89 acres from the earlier lease. The status and details of the remaining 69.43 acres of land were not furnished by the Department.

We scrutinised the records which revealed that the lease to TISCO was granted (August 2005) for a period of 30 years with retrospective effect from 1.1.96 for 10,852.27 acres only. The remaining 1,786.89 acres of land was completely under encroachment of which 1,111.04 acre land was occupied by 17,986 buildings and the rest 675.85 acres was covered by roads, streets, drains, barren land, community hall, temple, mosque, *gurudwara*, schools, graveyards, play ground etc. This area was excluded from the scope of lease to TISCO.

We did not find anything on record to indicate that steps were taken to evict the encroachers. This resulted in loss of revenue in the shape of rent of ₹ 341.36 crore during 1996-97 to 2008-09.

We reported the matter to the Department and the Government in July 2010 and in the exit conference. The Department stated in the exit conference that the legal opinion was being obtained and a strategy was being worked out by the Department for settlement/eviction of the encroached land.

#### **5.2.7.8 Non-renewal of expired lease of GM Khas land**

As per the Bihar Rent Fixation Act, a lessee using the leasehold property for commercial activity was liable for payment of commercial rent at the rate of five *per cent* of the market value of the land.

We test checked the records of ADC Chaibasa which revealed that 433.04 acres of land (Chiria Mines) was leased out to Indian Iron and Steel Company (IISCO) in the year 1948 to

1953 for 30 years. The same was not renewed after expiry of lease and the proprietorship remained with IISCO. Similarly, 363.75 acres of land leased out to Associated Cement Company (ACC) was not renewed so far even after lapse of 5 to 23 years. This resulted in blocking of land revenue of ₹ 61.46 crore in the shape of lease rent.

After we pointed this out, the Department accepted the audit observation in the exit conference. Steps taken to recover the amount have not been intimated.

## Internal controls

### 5.2.7.9 Internal Audit

The Finance Department is responsible for conducting internal audit of the Revenue and Land Reforms Department including its various offices. We observed that no internal audit was conducted during the period 2004-05 to 2008-09 in any of the offices (10 district offices and 40 AAs) test checked.

After we pointed this out, the Department stated in the exit conference that the Finance Department would be approached for conducting regular internal audit of the Department.

### 5.2.7.10 Non-maintenance of registers

Internal Controls are intended to provide reasonable assurance of proper enforcement of laws, rules and Departmental/executive orders. A vital component of internal control is to enable the management to assure itself that the prescribed systems are functioning reasonably well.

The Bihar Government Estate (*Khas Mahal*) Manual (adopted by the Government of Jharkhand), provides for maintenance of the following registers/returns by the Collector and the AAs for efficient management of collection of land revenue and other land reforms:

**Register-I (Rent roll or continuous *khatian*):** This register is required to be maintained by each *anchal* office which gives details of each holding held by a tenant of a revenue village including annual rent and cess. We found that the register was not being maintained by any of the units. In absence of the register it was not possible to ascertain the position of land, demand, collection and arrears of land revenue.

**Register-II (Tenant's ledger):** This is required to be maintained by each *anchal* office and contains the name of the tenant, area of the land allotted, annual demand and status of occupant etc. filled in a separate page allotted for each tenant. We found that the register was not properly maintained in any of the *anchal* offices.

**Register-VI (Remission register):** This register is required to be maintained by each *anchal* office and gives the details of remission/suspension of rent to each tenant. During natural calamities, the Government may order remission/suspension of rent payable by a particular category of tenants. We found that none of the circle offices maintained the register.

**Register-VII (Mutation register):** This register is maintained for transfer of ownership of land on sale/gift/partition etc. in which *khasra*<sup>51</sup> map and *khatian*<sup>52</sup> or *jamabandi* (register IA), as the case may be, is corrected under the Deputy Collector's initial who is responsible for posting the correction and send to the *Halka*<sup>53</sup> *Karamchari* a correction slip indicating the exact nature of the change. The register in proper form is not being maintained by any of the selected units. Instead they were maintaining information in Register-27 (Petition Register), which does not serve full purpose.

51 Plot number of revenue map of a revenue village.

52 Records of Rights of land.

53 A group of revenue village.

**Register IX-A (Details of waste land):** This register is meant for recording details of settlement of waste lands. This register was not maintained by any of the units selected for audit.

**Return-III (List of defaulters):** is maintained at the *Anchal* level comprising of detailed list of the defaulters on the basis of Register II, who were not making payment of arrear dues. The return was required to be submitted to the Deputy Commissioner for initiating certificate proceeding against the defaulters.

We test checked the records of units selected for audit and observed that no AA was maintaining Return-III.

We observed that the above mentioned registers/returns prescribed in the Manual for keeping permanent records of land holding, transfer of land holding, revenue realisable, details of waste land and surplus land for lease/settlement were either not maintained at all or not updated regularly. In the absence of such details, monitoring and control of various activities relating to revenue and land reforms at higher level were not possible which was likely to affect the collection of land revenue. It was clear that the internal controls in the Department was not adequate and needed to be strengthened.

After we pointed this out, the Government stated in the exit conference that necessary guidelines have been issued for maintenance of registers and returns. It was assured that a copy of the guidelines will be supplied to audit.

## 5.2.8 Compliance deficiencies

### 5.2.8.1 Non-settlement of GM *khas* land

Mention was made in the Paragraph 5.2 of the Audit Report (Revenue Receipts) of the Comptroller and Auditor General of India, Government of Jharkhand for the year 2003-04 regarding the loss of revenue on account of rent and cess due to non-settlement of the GM *khas* land. The report has not been discussed by PAC.

The rights of intermediaries of GM *khas* land were abolished and all such land was vested with the Government under the Bihar Land Reforms Act. As per instructions issued by the Government from time to time, revenue officers were required to examine cases of surplus unsettled GM *khas* land for settlement with scheduled caste, scheduled tribe, backward classes and landless persons at fair and equitable rent.

Our test check of the records revealed that in two COs<sup>54</sup>, three Deputy Commissioner Land Reforms<sup>55</sup> and four ACs/ADCs Offices<sup>56</sup>, out of 4,89,607.085 acres of available GM *khas*<sup>57</sup> land fit for settlement, only 2,38,081.405 acres were settled with eligible categories upto March 2009, leaving an area of 2,51,525.68 acres surplus GM *khas* land yet to be settled by the

Department. Consequently, the Government could not earn revenue in the shape of land rent and cess amounting to ₹ 3.08 crore for the period 2004-05 to 2008-09.

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<sup>54</sup> Dhanbad and Nirsra.

<sup>55</sup> Chatra, Garhwa and Jamshedpur.

<sup>56</sup> Bokaro, Chaibasa, Hazaribag and Ranchi.

<sup>57</sup> Means land retained by ex-intermediaries and not settled to *raiyyats* subsequently vested in the State under the Bihar Land Reforms Act.

The Government had not made any effort by issuing notices from time to time in the press or through the electronic media for settlement of such surplus GM *khas* land amongst ST, SC, backward classes and landless people.

After we pointed this out, the Department stated in the exit conference that total GM *khas* land cannot be settled to public. These are kept for future requirement. The reply is not acceptable as our comment relates to only those GM *khas* land which have been declared surplus and fit for settlement by the Department.

### 5.2.8.2 Non-settlement of land donated under *bhoodan yagna*

Under the Bihar *Bhoodan Yagna* (BBY) Act, the land vested in the BBY Committee was to be granted to landless persons or to a village community, Gram Panchayat or Co-operative Society by the committee in the prescribed manner. The Act provided conferment right to the grantee over such land subject to payment of rent and cess.

Our test check of the records in one AA<sup>58</sup>, two DCLR<sup>59</sup> and three AC<sup>60</sup> offices revealed that out of 2,44,080.58 acres of *bhoodan* land fit for settlement, only 1,70,621.77 acres of land was distributed/settled upto 2008-09 leaving a balance area of 73,458.81 acres of land unsettled. Had the Government settled the surplus land during the last five years, it would have earned revenue

of ₹ 1.02 crore towards rent and cess during 2004-05 to 2008-09.

After we pointed this out between January and May 2010 the Department stated that action was being taken for the settlement of the remaining land. Further progress made has not been received ( March 2011).

### 5.2.8.3 Fixation of below reserve *jama*<sup>61</sup> for *sairat*

The Bihar Estate (*Khas Mahal*) Manual, provides that the average of the last three years *jama* should be fixed as reserve *jama* of a *sairat*/auction. In case the bid received is less than the reserve *jama*, the approval of the higher authority should be obtained before finalisation of the bid.

Our test check of the records revealed that in three Anchal Offices<sup>62</sup>, *sairats* in respect of bus stand, animal *mela*, *aam* and *tar* (palm) and *phalkar mahua* were settled below the average of the last three years' *jama* which should have been treated as *jama* for

the *sairat* without obtaining the approval of the higher/competent authority. This resulted in loss of revenue amounting to ₹ 40.47 lakh during 2003-04 to 2008-09 as shown in the following table:

<sup>58</sup> Dhanbad.

<sup>59</sup> Chatra and Garhwa.

<sup>60</sup> Bokaro, Hazaribag and Ranchi.

<sup>61</sup> Reserve *jama* is a fixed sum on the basis of which a *sairat* is put to auction for settlement or at which *sairat* is settled.

<sup>62</sup> Bermo, Hunterganj and Itkhori.

(Rupees in lakh)

Name of the office	Name of the <i>sairat</i>	Year	Reserve deposit	Collection	Loss of revenue
AA, Bermo	Phusro Bus stand	2003-04 to 2008-09	23.89	16.66	7.23
	Chandrapur Bus stand	2005-06 to 2008-09	27.27	9.53	17.74
AA, Itkhori	Animal mela, Aam tree	2003-04 to 2008-09	18.16	2.79	15.37
AA, Hunterganj	Mahua tree	2004-05 to 2007-08	0.37	0.24	0.13
<b>Total</b>			<b>69.69</b>	<b>29.22</b>	<b>40.47</b>

After we pointed this out, the Department stated in the exit conference that cases were received by them for sanction for reserve *jama* on lower side. However, the reply was silent about the grant of approval for fixation of reserve *jama* on lower side in the cases mentioned by us.

#### 5.2.8.4 Non-realisation of *salami* and rent

Under the provisions of Bihar Estate (*Khas Mahal*) Manual, in regard to permanent transfer of land to a person/company the market value of such land together with 25 times of commercial/residential rent at the rate of five *per cent*/two *per cent* is payable.

- We test checked the records of AC Dhanbad which revealed that 8.99 acres of GM *khas* land was being used by Bharat Coking Coal Limited (BCCL) for commercial activities since 1994 without any formal agreement. The Department raised (June 1992) demand of

₹ 2.23 crore towards *salami* and rent, which was not realised till date of audit. We further observed that even after lapse of 18 years, certificate cases were not filed for realisation of *salami* and rent by the Department. The AC/AA had brought the fact of unrealised amount to the Government but no certificate cases were initiated for realisation of the outstanding amount.

After we pointed out, the AC stated that necessary steps is being taken to institute the certificate case for realisation of arrear demand from BCCL. Further reply has not been received (October 2010). However, in the exit conference held on 25 November 2010 the Department accepted the point and stated that action will be initiated for recovery of the dues.

As per executive order issued by Revenue and Land Reforms Department in June 2004, for acquisition of *raiya* or *Gairmazarua* land an applicant (Government Department/Private Sector/Public Sector) was required to deposit 80 *per cent* amount of *salami* and rent before initiation of acquisition proceedings.

- We scrutinised the records of AA, Nirsa which revealed that 42.70 acres of land was acquired for Damodar Valley Corporation (DVC) on payment of 80 *per cent* amount of ₹ 56.82 lakh during the period July 2005 to May 2007. Though the possession of acquired land was already transferred to DVC during 2008-09, the balance

20 *per cent* of *salami* and rent amounting to ₹ 11.36 lakh was not realised till the date of audit.



After we pointed this out, AA, Nirsa stated that necessary action would be taken to recover the balance 20 *per cent* of *salami* and rent. Further reply has not been received (October 2010). In the exit conference, the Department accepted the point and agreed to take action for realisation of the amount.

### **5.2.9 Conclusion**

The Revenue and Land Reforms Department is entrusted with the management of land development and levy and collection of land revenue. The Department failed to exercise proper control over settlement/lease/lease extension of government land (*Khas Mahal* and *GM Khas*) to widen the land revenue base and enhancement of land revenue. There was non/short realisation of large amounts of revenue. Internal control mechanism was weak as was evident by the fact that during the period under review no internal audit was conducted in any of the units nor were the required registers maintained.

### **5.2.10 Recommendations**

The Government may consider :

- issuing suitable instructions to the Revenue and Land Reforms Department for preparing the BEs on a realistic and scientific basis and ensuring that these are close to the actual receipts;
- maintaining a data base of arrears of revenue and ensuring their speedy recovery;
- completing the computerisation of land records with a view to overcoming the inherent problems in the manual system of maintenance and updating of land records and to provide good governance to the state; and
- issue directions to ascertain recording of all the *sairats* in the interest of the revenue.