

Chapter III

Land Revenue

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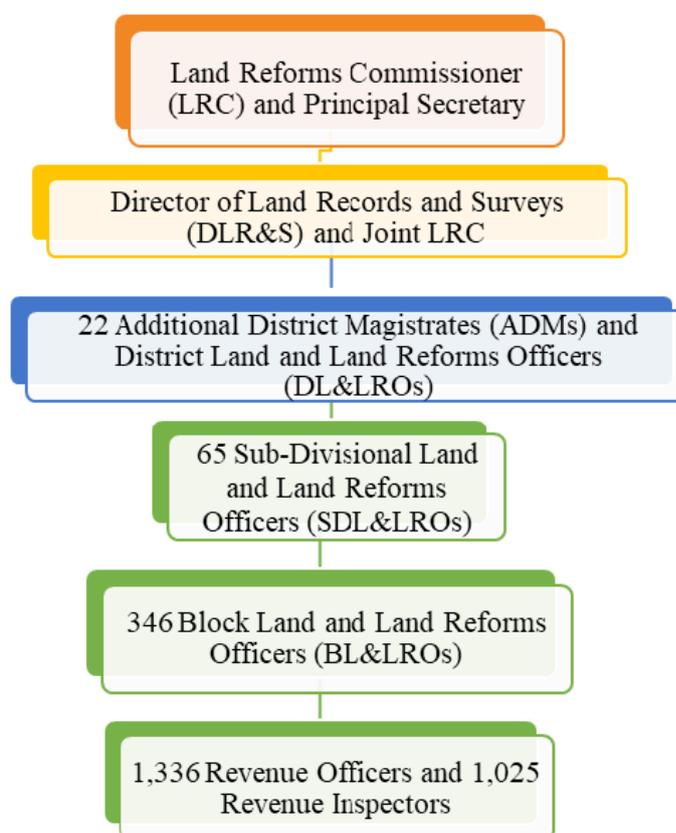
Land Revenue

3.1 Tax administration

Land Revenue consists of receipts from land rent, rates and cess, management of *Ex-Zamindari* Estates, survey and settlement operations *etc.* Assessment and collection of land revenue are governed by the West Bengal Land Reforms (WBLR) Act, 1955; West Bengal Land Reforms (WBLR) Rules, 1965 and West Bengal Land and Land Reforms (WBL&LR) Manual, 1991.

During 2018-19, Land Revenue was administered by the Land and Land Reforms and Refugee Relief and Rehabilitation (L&LR and RR&R) Department. The organisational set up has been shown in the following chart:

Chart 3.1: Tax Administration



3.2 Internal Audit

The Internal Audit Wing (IAW) of the L&LR and RR&R Department was established with the objective of evaluating accountability, compliance to applicable rules and regulations and safeguarding resources against loss.

During 2018-19, the IAW was headed by the Audit Officer cum ex-officio Joint Secretary who was assisted by 11 Assistant Auditors. While no Internal Audit Officer was posted in the IAW against sanctioned strength of 16, number of Assistant Auditors posted were 11 against the sanctioned strength of 14. There were 51 auditable units under the jurisdiction of IAW comprising DLR&S, 22 DL&LROs, 23 Land Acquisition (LA) Collectors, one First Land Acquisition

(FLA) Collector, two Rent Controllers and two Thika Tenancies¹¹⁹ during 2018-19. Of these, IAW planned to audit 19 DL&LROs, six LA Collectors, one FLA Collector, one Rent Controller and two Thika Tenancies during the period, which was 56.86 per cent of the total auditable units. The IAW conducted audit of all planned units, except for one FLA Collector and one Thika tenancy during the period, constituting 93.10 per cent of the planned units.

3.3 Results of audit

In 2018-19, test check of the records of the DLR&S and 11 DL&LROs showed irregularities related to land revenue involving ₹ 51.67 crore in 330 cases, which fell under the following categories as given in **Table 3.1**.

Table 3.1: Results of audit

(₹ in crore)

Sl. No.	Categories	Number of cases	Amount
1.	Non/ short realisation of rent, cess and surcharge on land used for commercial purpose	155	37.30
2.	Non-realisation of Government revenue due to non-settlement of long-term lease	58	7.69
3.	Non-realisation of <i>salami</i> and annual lease rent	33	4.33
4.	Blockage/ loss of revenue due to non-leasing of <i>sairati</i> ¹²⁰ interest	9	1.14
5.	Non-realisation of Government revenue due to non-renewal of long-term lease	5	0.40
6.	Other cases	70	0.81
Total		330	51.67

During 2018-19, the Department accepted underassessment and other deficiencies of ₹ 47.64 crore in 277 cases. An amount of ₹ 73.68 lakh was realised in 28 cases during the year.

Audit was conducted in the DLR&S and 11 DL&LROs out of 23 (47.83 per cent) units administering Land Revenue Receipts during the period 2018-19. The cases mentioned in the succeeding paragraphs are those which came to notice in the course of test audit for the period 2018-19. The cases were examined to ascertain the extent of compliance of provisions of the Acts and Rules framed thereunder. The findings arising from audit involving ₹ 31.96 crore are discussed in the following paragraphs:

¹¹⁹ As per the West Bengal Thika Tenancy (Acquisition and Regulation) Act, 2001, Thika Tenancy is the tenancy acquired by a person who occupies, whether under a written lease or otherwise, land under another person, and is liable to pay rent to that another person, and has erected or acquired by purchase or gift any structure on such land for residential, manufacturing or business purpose.

¹²⁰ Derived from the word *Sair*. The duties which the owners of Hat, bazar, markets, ferries etc. used to levy on commodities sold or benefits derived from these places were designated as *Sair* collection. Such Hat, ferries etc. are known as *Sairati* interests.

3.4 Non/ short realisation of revenue on land used for commercial purpose

There was non/short realisation of rent, cess and surcharge of ₹ 26.49 crore in 10,192 cases pertaining to land used for commercial purpose.

Sections 22 and 23 of the West Bengal Land Reforms (WBLR) Act, 1955 provide that raiyats¹²¹ using land for commercial purposes are liable to pay land revenue at the prescribed rate. Further, Section 3 of the West Bengal Rural Employment and Production (WBREP) Act, 1976 provides for levy and collection of a surcharge¹²². Different kinds of cess¹²³ are also realisable on the land revenue payable by raiyats. The Bhumi Sahayaks posted in the Revenue Inspector offices under the Block Land and Land Reforms Offices (BL&LROs) are responsible for collection of land revenue.

Audit checked 6,585 *Bhumi Sahayaks*' Collection Registers (Register-III) and Rent Receipt Books in 11 DL&LROs and noticed that in 10,192 cases, 5,589 raiyats did not pay rent, cess and surcharge of ₹ 26.49 crore on 35,045.63 acres of land. The land was being used for commercial purposes for various periods between 2014-15 and 2017-18. Audit also observed that:

- In 9,789 cases, the authorities did not collect rent, cess and surcharge of ₹ 25.75 crore on 32,612.20 acres of land.
- In remaining 403 cases, the authorities collected ₹ 2.22 crore against the payable amount of ₹ 2.97 crore on 2,433.43 acres of land. This resulted in short realisation of ₹ 0.74 crore. In these cases, the authorities had applied incorrect rate for realisation of rent.

DL&LROs did not initiate adequate action to realise the dues from them. This resulted in non/ short realisation of rent, cess and surcharge of ₹ 26.49 crore.

After this was pointed out

- Nine DL & LROs accepted the audit observations in 8,633 cases involving ₹ 23.91 crore for non-realisation of revenue on land used for commercial purposes.
- Three DL & LROs accepted the audit observations in 338 cases involving ₹ 0.69 crore for short realisation of revenue on land used for commercial purposes.

The DL&LROs, however, did not furnish any report on realisation (December 2020). In the remaining 1,221 cases involving revenue of ₹ 1.89 crore, two DL & LROs did not furnish any specific reply. The matter was reported to the Government in July 2020. Their reply was awaited (December 2020).

¹²¹ Raiyat means a person or an institution holding land for any purpose.

¹²² Surcharge 15 paise on each rupee of land rent payable.

¹²³ Road cess 6 paise, public works cess 25 paise and primary education cess 10 paise, rural employment cess 30 paise on each rupee of land rent payable.

3.5 Non-settlement of long-term lease

The Department failed to settle 47 cases of long-term leases involving 63.30 acres of land with the unauthorised occupants within the prescribed time limit, revenue of ₹ 4.90 crore (*salami*-₹ 4.10 crore and rent ₹ 0.80 crore) was realisable in these cases.

Rule 238 of the West Bengal Land & Land Reforms (WBL&LR) Manual, 1991 provides that Government land remaining in the possession of a person(s), though unauthorisedly, may be offered to such person(s) on long-term settlement for non-agricultural purpose on realisation of rent and *salami*¹²⁴ at the prescribed rates. Further, Rule 225 of the Manual prescribes that the procedure of long-term settlement (LTS) should be completed by the Department within five months from the date of its initiation.

Audit checked 329 out of 756 case records relating to LTS cases in eight DL&LROs. It was found that 63.30 acres of land was under unauthorised occupation in 47 cases. The occupants had applied between April 2007 and April 2018 for long-term settlement of the land for non-agricultural purposes. It was observed that:

- In 40 cases involving ₹ 3.98 crore, the proposals for long-term lease were not forwarded by the concerned DL&LROs for approval to the Department.
- In the remaining seven cases involving ₹ 0.92 crore, proposals were pending with the Department.

Thus, the Department failed to settle the land through lease agreement with the unauthorised occupants within the prescribed time limit. Audit calculated that revenue of ₹ 4.90 crore (*salami*-₹ 4.10 crore and rent-₹ 0.80 crore) was realisable from such unauthorised occupants.

No specific reasons, however, were found on record for delay in finalisation of long-term lease cases.

DL&LRO, Purba Medinipur accepted the audit observations in 11 cases involving ₹ 2.04 crore. Report on finalisation of the leases was, however, not furnished. In the remaining cases, the DL&LROs did not furnish any specific reply (December 2020). The matter was reported to the Government in July 2020. Their reply was awaited (December 2020).

3.6 Non-realisation of lease rent and interest

Annual lease rent and interest of ₹ 56.66 lakh in case of 26 lessees in possession of 126.53 acres of land was not realised.

Rule 235 of the WBL & LR Manual, 1991 provides that the rent shall be payable annually according to the Bengali year (BS)¹²⁵. The rent falls due on the last day of the year in respect of which it is to be paid. Rule 303 of the Manual *ibid* prescribes interest at the rate of 6.25 *per cent* per annum on delayed payment of revenue.

¹²⁴ *Salami* means the lump sum amount payable by the lessee in the case of settlement of Government land.

¹²⁵ Bengali year (Bengali Saka-BS) commences on the first day of Baisakh i.e. 14/15 April each year.

Out of 178 lease registers and case records in five DL&LROs, Audit test checked 108 lease registers and case records of lessees. Audit found that annual lease rent and interest of ₹ 56.66 lakh in respect of periods between 1420 BS (2013-14) and 1424 BS (2017-18) was not realised in 26 cases from 20 lessees in possession of 126.53 acres of land. The BL & LROs did not issue demand notices which resulted in non-realisation of ₹ 56.66 lakh (annual lease rent ₹ 52.48 lakh and interest ₹ 4.18 lakh).

After this was pointed out, three DL&LROs accepted (between June 2018 and March 2019) the audit observations in 10 cases involving ₹ 43.64 lakh and stated that action would be taken to realise the dues. In the remaining 16 cases, involving ₹ 13.02 lakh, DL&LROs did not furnish any specific reply (December 2020). The matter was reported to the Government in July 2020 followed by a reminder in October 2020. Reply was awaited (December 2020).

The observations above point to the laxity of the Department in enforcing provisions of WBLR Act and WBL&LR Manual for collection of rent, cess and surcharge in respect of land used for commercial purposes and settlement and collection of rent in respect of long-term lease cases. These have led to non/ short realisation of revenue.

