



**CHAPTER IV  
REVENUE AND LAND  
REFORMS**



## CHAPTER IV: REVENUE AND LAND REFORMS

### 4.1 Tax administration

The Revenue and Land Reforms Department acquires and alienates land and levies and collects land revenue in Bihar. The Collector of a district, who is assisted by the District Land Acquisition Officer (DLAO), is responsible for the land acquisition.

The Principal Secretary-cum-Commissioner is the administrative head and assisted by three Directors and Special Secretary, Joint Secretary, Deputy Secretary at the headquarters level. The Divisional Commissioners, Collectors, Additional Collectors, District Land Acquisition Officers (DLAOs), Deputy Collectors and Circle Officers, at the Block level, are responsible to carry out the work at the field level. Circle officers are responsible for maintenance of land records and collection of land revenue.

### 4.2 Results of audit

During 2020-21, Audit test checked records of 50, out of 961 units of the Revenue and Land Reforms Department. Audit scrutiny revealed non-settlement of *Sairats*<sup>1</sup> and other irregularities involving ₹ 24,613.19 crore in 372 cases as shown in Table 4.1.

Table 4.1  
Results of Audit

Sl. No.	Category	No. of observations	Amount (₹ in lakh)
1.	Non-fixation of <i>Salami</i> <sup>2</sup> and commercial rent	2	7,933.80
2.	Non-settlement of <i>Sairats</i>	4	108.32
3.	Other cases	366	24,53,276.50
	<b>Total</b>	<b>372</b>	<b>24,61,318.62</b>

The Department neither accepted any cases nor effected any recovery during 2021-22. The replies in respect of all the cases of 2021-22 and those of earlier years were awaited (November 2023).

### 4.3 Land owners deprived of the benefits of rehabilitation and resettlement

*Due to non-disbursement of one-time payment of ₹ 5,00,000, 41 affected families were deprived of an Rehabilitation and Resettlement entitlement and leviable interest for ₹ 2.59 crore.*

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act, 2013, provides for payment of compensation towards Rehabilitation and Resettlement (R and R), to affected families, for acquisition of their land. As per Section 31 of the

<sup>1</sup> The rights and interests in respect of revenue earning hat, bazaar, mela, trees, fisheries, jalkars, falkars, ferries etc.

<sup>2</sup> A lump payment, made to the proprietor of land, by the settlee of such land for commercial or agriculture purpose, as the case may be.

Act *ibid*, the Collector is required to pass the R and R award for each affected family, in terms of the entitlements provided in the Second Schedule, which include amounts for: (i) construction of house: ₹ 1,50,000 (ii) purchase of land: ₹ 60,000 (iii) choice of employment or annuity or one-time payment: ₹ 5,00,000 (iv) subsistence grant for displaced families: ₹ 36,000 (v) transportation cost: ₹ 50,000 (vi) cattle shed/petty shop cost: ₹ 25,000 and (vii) one-time resettlement allowance: ₹ 50,000 *etc.* As per Section 80 of the RFCTLARR Act, 2013, when the compensation is not paid before taking possession of the land, the collector shall pay with interest thereon at the rate of nine *per cent* per annum and after expiry of the said period of one year, interest at the rate of 15 *per cent* per annum, on the amount of compensation or part thereof.

During test-check (October 2021) of records of DLAO, Samastipur, relating to a project<sup>3</sup>, it was found that the award for the R and R of 41 displaced families<sup>4</sup> of three revenue villages, was approved by the Commissioner, Darbhanga Division, Darbhanga. Audit observed that, all the elements of R and R entitlements, except choice of employment or annuity or one-time payment for ₹ 5,00,000, had been disbursed to the affected families. Since the choice of employment or annuity was not given to the affected families, ₹ five lakh should have been disbursed to each of them. As such, 41 affected families were deprived of an R and R entitlement, amounting to ₹ 2.05 crore and leviable interest (up to 31.03.2023) of ₹ 0.54 crore<sup>5</sup>.

On this being pointed out, DLAO, Samastipur, stated (November 2021) that Audit would be intimated after getting directions from the department<sup>6</sup> and compliance would be made thereafter. The reply was not acceptable, as the provisions of the Act had not been followed and the affected families had been deprived of the entitlement.

The matter was reported to the department (November 2022); however, the reply was awaited (as of November 2023).

***Recommendation 1: The Department may ensure payment of R and R, considering all the required components.***

#### **4.4 Short calculation of Solatium**

***Application of incorrect calculation method resulted in short levy of Solatium and leviable interest of ₹ 6.40 crore leading to their short payment to landowners.***

As per Section 30(1) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act, 2013, the

<sup>3</sup> Proposed four lane bridge and four lane access road on the river Ganga connecting Karjan village to Tajpur village at NH-28 in the proposed bypass of NH-31.

<sup>4</sup> 22 of Ashadhi, Nine of Chaksaho and 10 of Amritpur Mauja.

<sup>5</sup> Calculation: Ashadhi (₹ 36,25,479 interest for 948 days), Amritpur Mauja (₹ 17,97,945 interest for 1,021 days).

<sup>6</sup> Revenue and Land Reforms Department.

Collector, having determined the total compensation to be paid, shall, to arrive at the final award, impose a “Solatium<sup>7</sup>” equivalent to one hundred *per cent* of the compensation amount. As per point no. 5 of the First Schedule of the Act, the Solatium, which is equivalent to one hundred *per cent* of the market value of the land, multiplied by the factors specified in the First Schedule of the Act, plus the value of the assets<sup>8</sup> attached to the land, is payable to the land owners. As per Section 80 of the RFCTLARR Act, 2013, when the compensation is not paid before taking possession of the land, the collector shall pay with interest thereon at the rate of nine *per cent* per annum and after expiry of the said period of one year, interest at the rate of 15 *per cent* per annum, on the amount of compensation or part thereof.

Audit test-checked (June 2022) the records of land acquisition, relating to the Indo-Nepal Border Road Project (From Jhauri Chowk to Mahadev Math and Jaynagar to Wardiwas Rail line Project), maintained in the office of the DLAO, Madhubani. During test-check, Audit observed that, the DLAO had not considered the value of assets attached to the land, while calculating the Solatium. The incorrect calculation by the DLAO resulted in short levy of Solatium of ₹ 3.47 crore and leviable interest of ₹ 2.93 crore leading to short payment to land owners of nine *Maujas*<sup>9</sup>, as detailed in **Appendix 4.1**.

On this being pointed out DLAO, Madhubani, stated (June 2022) that after examining the issue, the amount of Solatium would be sought from the Agency/ Department.

The matter was reported to the department (November 2022); however, the reply was awaited (as of November 2023).

***Recommendation 2: The Department may consider the value of assets attached to the acquired land, while calculating the correct amount of Solatium.***

#### **4.5 Short payment of additional compensation**

***Short payment of additional compensation and leviable interest of ₹ 16.73 crore to the landowners due to incorrect calculation.***

Section 23(1A) of the Land Acquisition Act, 1894, read with Section 30(3) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act, 2013, provides for payment of additional compensation, at the rate of 12 *per cent* per annum, of the market value of the land, from the date of publication of notification of the Social Impact Assessment (SIA) study, till the date of the award of the Collector, or the date of taking possession of the land, whichever is earlier. As per Section

<sup>7</sup> A component of the compensation payable to landowners.

<sup>8</sup> Residential house, shop, tree etc.

<sup>9</sup> *Mauja*: a village, recognised and mapped separately, at the time of revenue survey, vide Section 3(10) of the Bengal Tenancy Act, 1885.

80 of RFCTLARR Act, 2013, when the compensation is not paid before taking possession of the land, the collector shall pay with interest thereon at the rate of nine *per cent* per annum and after expiry of the said period of one year, interest at the rate of 15 *per cent* per annum, on the amount of compensation or part thereof.

Test-check of the records of five projects<sup>10</sup>, in 81 *maujas*, of two districts, between November 2021 and March 2022, revealed that the DLAOs, while calculating the additional compensation, had not considered the correct dates of possession of land/dates of award. The incorrect calculations had resulted in short calculation of additional compensation, amounting to ₹ 11.87 crore and leviable interest of ₹ 4.86 crore, as detailed (project-wise) in **Appendices 4.2, 4.3 and 4.4**.

On this being pointed out, DLAO, Araria and DLAO, Rohtas, replied (March 2022 and November 2021, respectively) that, appropriate action would be taken, after verifying the matter, under intimation to Audit.

The matter was reported to the department (November 2022); however, the reply was awaited (as of November 2023).

***Recommendation 3: The Department may ensure that, the correct date (date of taking possession of the land or date of award, whichever is earlier) is considered, while calculating the additional compensation, to avoid short payment.***

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<sup>10</sup> 1. Dedicated Freight Corridor Rail Flyover-I construction project of DLAO, Rohtas (Sasaram); 2. Dedicated Freight Corridor Rail Flyover-II construction project, of DLAO, Rohtas (Sasaram); 3. Dedicated Freight Corridor Road Over Bridge construction project, of DLAO, Rohtas (Sasaram); 4. Indo-Nepal border project, and 5. 56<sup>th</sup> Battalion Sashastra Seema Bal, Bathnaha project, of DLAO, Araria.