

CHAPTER V- LAND REVENUE

5.1 Results of audit

Test check of the records of the Revenue and Land Reforms Department during 2007-08 revealed non-settlement of vested public land, non-renewal of lease of *khas mahal* land etc. amounting to Rs. 588.50 crore in 3,231 cases, which fall under the following categories:

(Rupees in crore)

Sl. No.	Category	No. of cases	Amount
1.	Non-settlement of vested land	6	1.01
2.	Non-renewal of lease of <i>khas mahal</i> land	3,153	585.94
3.	Non-settlement of <i>sairats</i>	1	0.03
4.	Non-removal/settlement of encroached public land	2	0.29
5.	Other cases	69	1.23
Total		3,231	588.50

The department accepted non-settlement of vested public land, non-renewal of lease of *khas mahal* etc. of Rs. 5.17 crore in 694 cases pointed out in audit during 2007-08.

A few illustrative cases involving loss of revenue of Rs. 200.13 crore are discussed in the succeeding paragraphs:

5.2 Non-realisation of revenue due to non-renewal of leases

Under the provisions of the Bihar Government Estates (*Khas Mahal*) Manual, 1953 (adopted by the Government of Jharkhand) and rules framed thereunder for grant of lease, the State Government is to issue notices to the lessees six months prior to the expiry of the lease to apply for renewal of such lease. Further, the lessee is required to apply for renewal of his lease three months prior to its expiry. A lessee continuing to occupy leasehold property without payment of rent and without renewal of lease is to be treated as a trespasser and has no claim for renewal on past terms and conditions. On fresh leases for residential/commercial purposes, *salami*¹ at the current market value of land besides annual rental at the rate of two *per cent* and five *per cent* respectively of such *salami* is leviable. Further, as per instructions issued in April 1999 by the Revenue and Land Reforms Department, Government of Bihar, the lessees are liable to pay arrears of double the annual rental at the rate proposed in fresh leases from the date of expiry of earlier lease as penal rent² together with interest at the rate of 10 *per cent* on the differential of proposed rent in the new deeds and rent already paid by the lessees. The Government issued instructions in July 2004 to all Deputy Commissioners to take action for renewal of pending cases within three months.

Mention was made regarding loss/non-realisation of revenue due to non-renewal/violation of terms and conditions of lease hold property in the Report of the Comptroller and Auditor General of India (Revenue Receipts), Government of Jharkhand pertaining to the years 2002-03, 2004-05 and 2005-06 (Paragraphs 5.2, 5.2 and 5.3 respectively).

Test check of the records of three Land Reforms Deputy Collector-cum-*Khas Mahal* offices³ between August 2006 and March 2007 revealed that out of 1,902.40 acres of *khas mahal* land leased to 3,374 lessees, leases of 3,322 lessees holding 1,369.410 acres of land had expired between April 1924 and March 2006. Neither had the lessees applied for fresh lease nor did the department issued notices to the lessees to notify their intention for executing the same. The department did not initiate action for renewal of the expired leases which resulted in loss of revenue of Rs. 585.94 crore for the period of non-renewal of leases which included Rs. 199.84 crore of *salami*, penal rent and interest, calculated for 2002-03 to 2006-07.

After the cases were pointed out between August 2006 and March 2007, the *Khas Mahal* Officer, Sahebganj stated in July 2008 that no action for renewal of *khas mahal* land had been taken, while the Land Reforms Deputy Collector, Koderma stated that the process for renewal of lease was under way. The Sub Divisional Officer, Latehar stated that neither any lease had been renewed since last five years nor any case had been forwarded to the Government.

Action taken by the Government on the above para as well as on paragraphs appearing in previous Audit Reports, though called for between January 2007 and June 2008, has not been intimated (November 2008).

¹ Salami is market value of the land. It is a share in the increase of value anticipated during the period of lease.

² Penal rent is twice the rate of residential rate.

³ Sahebganj, Koderma and Latehar.

The Government needs to initiate timely action and ensure renewal/resettlement of expired leases.

5.3 Non-removal/settlement of encroached public land

Under the Bihar Public Land Encroachment Act, 1956 (adopted by the Government of Jharkhand), if a person has encroached upon any public land, he may be evicted or the land may be settled with such person, on payment of rent and damages for use of such land as per the rules laid down in the Bihar Government Estate (*Khas Mahal*) Manual, 1953. Further, in the case of settlement of public land for residential purpose, *salami* at the prevailing market value of such land, together with the annual residential rent at the rate of two *per cent* of *salami*, are payable.

Test check of the records of the Land Reforms Deputy Collector Office, Latehar in July 2007 revealed that 0.675 acres of public land in Mahuadand and Latehar Anchals was encroached for residential purposes between 2001-02 and 2006-07. The department did not take any action for eviction or settlement of this land. This resulted in non-realisation of *salami* and rent of Rs. 29.33 lakh.

After the case was pointed out in July 2007, the Sub Divisional Officer, Latehar stated in July 2007 that action would be taken to vacate the encroached land. Further reply has not been received (November 2008).

The matter was reported to the Government in February 2008; their reply has not been received (November 2008).