

CHAPTER III LAND REVENUE

3.1 Results of audit

Test check of records of land revenue in District Land and Land Reforms (DL & LR) Offices conducted in audit during the year 2004-05, revealed non/short realisation of revenue amounting to Rs.22.99 crore in 137 cases, which broadly fall under the following categories :

Sl. No.	Categories	<i>(Rupees in crore)</i>	
		No. of cases	Amount
1	Non-levy/non-realisation of damage fee, rent and salami due to unauthorized occupation of Government land.	13	2.49
2	Non-settlement of land	25	8.95
3	Non-levy and non-realisation of rent and salami	6	4.75
4	Blockage/loss of revenue due to non-leasing of sairati interest	20	1.24
5	Other cases	73	5.56
Total		137	22.99

During the course of the year 2004-05, the concerned Department accepted underassessment etc. of Rs.10.37 crore involved in 98 cases of which 68 cases involving Rs.9.45 crore had been pointed out in audit during the year 2004-05 and the rest in earlier years. An amount of Rs.6.64 lakh was realised at the instance of audit.

A few illustrative cases involving Rs.65.52 lakh highlighting important observations are given in the following paragraphs:

3.2 Non-finalisation of leases

Under the provision of the West Bengal Land and Land Reforms (WBL & LR) Manual, 1991, if the Government land remained in possession of person/persons without any lease, such persons may be offered long term settlement for non-agricultural purposes on realisation of rent payable at four *per cent* of market value of the land and salami at 10 times of the annual rent. In case of application for lease, the same is to be finalized ordinarily within five months from the date of application.

Scrutiny of records of three¹ DL & LR Offices revealed that in four cases two persons, two schools and one educational society had been unauthorisedly occupying 37.63 acres of non-agricultural land involving market value of Rs.37.99 lakh for residential and educational purposes from different dates between 1998 and 2001. The occupiers applied for long term settlement of those lands between January 2001 and August 2002. The concerned Block Land and Land Reforms (BL & LR) Offices initiated action for settlement between May 2002 and July 2003 but the cases were not settled by the Land and Land Reforms (L & LR) Department. Thus non-settlement of land within the prescribed period of five months resulted in blockage of revenue of Rs.22.24 lakh in the shape of rent and salami for the periods varying between 1999 and 2004.

After this was pointed out, the district authorities stated between September 2003 and September 2004 that the matter would be taken up for finalisation of the cases.

Government to whom the cases were reported, stated in July 2005 that the matter would be reviewed. However, report on final action taken has not been received (October 2005).

3.3 Non realisation of cesses 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 leviable and realisable on land rent payable by the raiyats. By an order issued

¹ Darjeeling, Jalpaiguri and Murshidabad.

in November 2003 raiyats exempted from payment of land rent are liable to pay all the above cesses² at the rate of 41 paise per rupee of rent with effect from 1408 BS³ (2001-02). The Bhumi Sahayaks posted in the Revenue Inspectors Office under the BL & LR Office are responsible for collection of cesses.

Scrutiny of records of six⁴ DL & LR offices revealed that a total area of 1.24 lakh acres of vested land under 42 BL & LR Offices was distributed among landless persons on raiyati basis for which pattas were given. They were liable to pay cesses of Rs.16.48 lakh for the period between 2001-02 and 2003-04 against which only Rs.0.03 lakh was paid. No action was taken to realise the balance amount. This resulted in non realisation of cesses of Rs.16.45 lakh.

After this was pointed out, the District authorities admitted the audit observation and stated between December 2001 and September 2004 that Bhumi Sahayaks had been directed to recover the cesses.

Government to whom the cases were reported, agreed to review the position and stated in July 2005 that the final outcome would be intimated to audit. Report on the final outcome has not been received (October 2005).

3.4 Non-realisation of rent and interest

Under the provision of the WBL & LR Manual, rent is payable yearly according to the Bengali year which falls due on the last day of the year in respect of which it is paid. In case of default in payment of rent, the lessee is bound to pay, in addition to the arrear of rent interest at the rate of 6.25 *per cent* per annum on the amount of the rent in arrear. In case of non-payment of rent and interest the same are realisable as public demand by certificate proceedings under the Bengal Public Demand Recovery Act, 1913.

Scrutiny of records of two⁵ DL & LR offices revealed that annual lease rent of Rs.10.47 lakh in two cases had not been paid by the lessees for different Bengali years from 1407 BS to 1411 BS (2000-01 to 2004-05). No action was

² Road cess – 6 paise, Public Works cess – 25 paise, Education cess – 10 paise

³ Bengali Calendar Year commencing from 15 April to 14 April of the following year.

⁴ Bankura, Hooghly, Jalpaiguri, Nadia, North 24 Parganas and Tamluk.

⁵ Darjeeling and Hooghly.

taken to recover the same. Besides, interest of Rs.0.94 lakh though leviable was not levied. Inaction on the part of the Department resulted in non-realisation of rent of Rs.10.47 lakh and interest of Rs.0.94 lakh.

After this was pointed out, the district authorities admitted the audit observation and stated between September 2003 and June 2004 that action would be taken to realise the rent and interest as pointed out by audit.

Government to whom the cases were reported, stated in July 2005 that non-payment of lease rent in one case would be reviewed and date of payment in respect of other one would be intimated. Report on further action taken has not been received (October 2005).

3.5 Short realisation of revenue due to incorrect determination of annual rent.

Under the provision of the WBL & LR Manual, Government non-agricultural land may ordinarily be settled on long term lease basis for a period of 30 years. The lessee is, however, entitled to an option of successive renewal of the lease for equal period. At the time of renewal of lease, rent shall be fixed at four *per cent* of the current market value of the land for industrial or commercial purposes. In case of residential purposes such rent shall be 15 times the annual rent previously payable or four *per cent* of the market value of the land at the time of renewal of the lease, whichever is less.

Scrutiny of records of DL & LR office, Murshidabad revealed that the period of the lease of 4.72 acres of land in favour of Food Corporation of India (FCI) at Berhampore expired in August 2001. But the Department on renewal of lease in May 2003 assessed the annual rent at Rs.2.97 lakh as a case of settlement for residential purposes. As FCI is a commercial organisation, the annual rent was required to be assessed at Rs.10.09 lakh i.e. four *per cent* of the market value of land of Rs.2.52 crore. Thus, incorrect determination of annual rent at the time of renewal of the long term lease led to short realisation of revenue of Rs.21.36 lakh for the period from 2001-02 to 2003-04.

The case was pointed out to the Department between September 2003 and June 2004 and to the Government in July 2005. No specific reply has been received (October 2005).

3.6 Non-assessment and non-realisation of market value and capitalized value of land transferred to Central Government Departments

Under the provisions of the WBL & LR Manual, in the case of transfer of land of the State Government to Central Government departments, compensation would have to be paid to the State Government which would ordinarily be the market value of the land and capitalized value of the land revenue assessable thereon. The capitalised value is to be determined one time at 25 times of the annual rent.

Scrutiny of records of the DL & LR Office, Murshidabad revealed that the Border Security Force (BSF) applied for transfer of 3.5 acres of non-agricultural land for construction of border outpost thereon in January 2002 though the land in question was in their possession since 1991. BSF authority repeatedly requested for transfer of the said land but the same has not been transferred till date. There was nothing on record to indicate that the case for transfer of the land was initiated by the district authorities. The lackadaisical attitude of the district authority resulted in non-assessment and non-realisation of market value and capitalized value of the land of Rs.9.26 lakh. In addition, it has also resulted in operational problems for BSF.

After this was pointed out, the district authority stated in September 2004 that the matter was under process.

Government to whom the case was reported, agreed in July 2005 to look into the matter for early disposal. Report on final disposal has not been received (October 2005).

3.7 Loss/non-realisation of lease rent in respect of sairati interests

Under the WBL&LR Manual, *sairati*⁶ interests vested in the State, are to be settled on lease terms on realisation of annual lease rent. The Board of Revenue (BOR), however, directed in March 1979 that *sairati* interests should be handed over to the Panchayat institutions for management and control by

⁶ Derived from the word sair. The duties which the owner of Hat, Bazar, Markets, Ferries, Fisheries etc. used to levy on commodities sold or benefits derived in those places were designated as Sair collections. Such Hats, Ferries, Fisheries etc. are known as sairati interests

them. The Divisional Commissioner, Jalpaiguri Division directed the district authorities in January 2003 to resume the water bodies covering more than five acres of area for settlement on annual lease rent basis at minimum rate of rent Rs.4,047⁷ per acre

Scrutiny of records of the DL & LR Office, Cooch Behar revealed that the district authority failed to resume 14 water bodies covering 173.94 acres of water areas from the Panchayats for settlement though each water body was more than five acres of area.. This led to loss of revenue of Rs.7.04 lakh during 2003-04.

After this was pointed out, the Department stated in June 2004 that the matter had been taken up with the concerned authority for resumption of the water areas.

Government to whom the case was reported, agreed in July 2005 to look into the matter. However, report on further action taken has not been received (October 2005).

⁷ Annual rent @ Rs.10,000 per hectare, hence, annual rent per acre $\text{Rs.10,000} \div 2.47105 = \text{Rs.4047}$, (one hectare = 2.47105 acre).