

## 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 during the year 2005-06, revealed non/short realisation of revenue amounting to Rs.21.32 crore in 83 cases, which broadly fall under the following categories:

*(Rupees in crore)*

Sl. No.	Categories	No.of cases	Amount
1.	Non levy/non realisation of Government revenue due to unauthorised occupation of Government land	4	1.01
2.	Non settlement of land	8	0.52
3.	Non levy and non realisation of rent and <i>salami</i>	21	5.15
4.	Blockage/loss of revenue due to non leasing of sairati interest	11	9.13
5.	Other cases	39	5.51
	<b>Total</b>	<b>83</b>	<b>21.32</b>

During the course of the year 2005-06, the concerned department accepted observations of Rs.10.67 crore involved in 73 cases of which 43 cases involving Rs.5.64 crore were pointed out in audit during the year 2005-06 and the rest in earlier years. An amount of Rs.1.13 crore was realised at the instance of audit during the year 2005-06.

A few illustrative cases involving Rs.13.22 crore highlighting important observations are given in the following paragraphs:

### **3.2 Non settlement of *sairati* interest**

Under the provisions of the West Bengal Land and Land Reforms (WBL&LR) Manual, 1991 *sairati*<sup>1</sup> interests like big water areas, hats<sup>2</sup>, markets, ferries and khal<sup>3</sup> fisheries vested in Government should be settled on lease basis with a registered co-operative society of fishermen. If the lease cannot be granted to a co-operative society, sealed tenders shall be called from bonafide fishermen and lease is to be given to the highest tenderer. The period of lease should not exceed seven years at a time. Collector of a district was required to fix economic rent and realise 25 per cent of the lease rent at the time of settlement of *sairati* interests and balance before the beginning of the year. The Commissioner of Jalpaiguri division in January 2003 fixed minimum production of a water body having more than five acres in area at Rs.1,00,000 per hectare per annum and economic rent of such *jalkar*<sup>4</sup> at 10 per cent of annual production i.e. Rs.10,000.

#### **3.2.1 Loss and short realisation of lease rents from *sairati* interests**

Scrutiny of records revealed between September and December 2005 that in Murshidabad and South 24 Parganas districts, the district authorities leased out only 43 *jalkars* covering an area 4,637.60 acres out of a total of 163 *jalkars* involving an area of 15,057.18 acres. The authorities realised Rs.0.21 crore for the period from 15 April 2003 to 14 April 2005 against the total realisable lease rent of Rs.3.76 crore in respect of these 43 *jalkars*. This resulted in short realisation of lease rent of Rs.3.55 crore. In the remaining cases, no lease settlement was made. Thus, failure of the district authority to settle 120 *jalkars* covering an area of 10,419.58 acres resulted in loss of revenue of Rs.8.44 crore for the same period.

After this was pointed out, the district authority of Murshidabad confirmed the audit observation and stated that action would be taken to realise rent at appropriate rate while the district authority of South 24 Parganas stated that

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<sup>1</sup> Derived from the word *sair*. The duties which the owners of *hat*, *bazaar*, markets, ferries, fisheries etc. used to levy on commodity sold or benefits derived from those places were designated as *sair* collection. Such *hat*, ferries etc. are known as *sairati* interests.

<sup>2</sup> Hat – Occasional village market.

<sup>3</sup> Khal – Large water channel.

<sup>4</sup> Jalkar – Big water area used for pisciculture.

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action would be taken. However, report on action taken from both the district authorities has not been received (October 2006).

The case was reported to Government in May 2006. Their reply has not been received (October 2006).

### **3.2.2 Loss of revenue due to non settlement of *sairati* interests**

Scrutiny of records of two<sup>5</sup> DL & LR offices revealed that in seven cases, water area of 735.57 acres in two block land and land reforms ( BL & LR ) offices was not leased out during the period from 2000-01 to 2004-05. This resulted in loss<sup>6</sup> of revenue of Rs. 30.69 lakh.

Government to whom the cases were reported stated in June 2006, that the area could not be leased out due to non availability of registered co-operative societies. The reply is not tenable as there was a provision to call for sealed tenders from bonafide fishermen and lease out to the highest tenderer.

### **3.3 Non/short realisation of cess 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 on land rent payable by the *raiyyats*<sup>7</sup>. By an order issued in November 2003 raiyyats exempted from payment of land rent are liable to pay all the above cess<sup>8</sup> at the rate of 41 paise per rupee of rent with effect from 1408 BS<sup>9</sup> (2001-02). The *bhumi sahayaks* posted in the office of the Revenue Inspector under the BL & LR office are responsible for collection of cess.

Scrutiny of records of four<sup>10</sup> DL & LR offices revealed that in 32 BL & LR offices an area of 2.91 lakh acres of vested land was distributed among the landless persons on *raiyyati* basis for which *pattas* were given. They were liable to pay cess of Rs.98.26 lakh for the period between 1408BS (2001-02) and 1411 BS (2004-05) against which only Rs.37.52 lakh had been realised. This resulted in non/short realisation of cess of Rs.60.74 lakh.

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<sup>5</sup> North 24 Parganas and South 24 Parganas.

<sup>6</sup> The loss has been worked out on the basis of lease rent of last settlement (in three cases) and economic rent (in four cases).

<sup>7</sup> Raiyat means one who holds lands for agricultural purpose.

<sup>8</sup> Road cess – 6 paise, Public Works cess - 25 paise and Education cess - 10 paise.

<sup>9</sup> Bengali calendar year commencing from 15 April to 14 April of the following year.

<sup>10</sup> North 24 Parganas, Paschim Medinipur, Purulia and South 24 Parganas.

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After this was pointed out between March and June 2005, the district authorities stated between March and June 2005 that action would be taken for realisation of cess from the patta holders.

Government to whom the cases were reported in January 2006, did not furnish any specific reply (October 2006).

### **3.4 Loss of revenue due to non delivery of possession of land**

Under the provisions of the WBL & LR Manual, vested non agricultural land may be settled on long term lease basis for a period of 30 years on realisation of annual rent to be fixed by the Collector at four *per cent* of market value of land and *salami*, in lumpsum, at 10 times of the annual rent and the date of commencement of lease will take effect from the date of possession of the land.

Scrutiny of records of the DL&LR Office, South 24 Parganas revealed that a long term lease for two acres of land under Additional Thakurpukur-Metiabruz block was sanctioned by Government in November 1998 to a company at a *salami* of Rs.58.08 lakh and annual rent of Rs.5.80 lakh for a period of 30 years from the date of delivery of possession of the land. The company deposited Rs.63.88 lakh in March 2000 towards *salami* and lease rent for one year. But the district authority failed to hand over possession of the land to the company till August 2006. This resulted in loss of revenue of Rs.23.20 lakh towards lease rent for the period from 2001-02 to 2004-05.

After this was pointed out in June 2005, the district authority stated in June 2005 that on realisation of *salami* and rent for the first year, the company was asked to take delivery of the land but they did not turn up. The reply is not tenable as the company had requested for physical possession of the land in March 2000. It was further revealed that the land was under encroachment of a club and is still used as a playground.

Government to whom the case was reported in February 2006 did not furnish any specific reply (October 2006).

### 3.5 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 payable. In case of default in payment of rent, the *raiyat/lessee* is bound to pay, in addition to the arrear of rent, interest at the rate of 6.25 *per cent* 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 four<sup>11</sup> DL&LR offices revealed that land rent/cess/lease rent of Rs.4.81 lakh in 54 cases was not paid by the *raiyat/lessee* for different periods between 1407 BS and 1411 BS (2000-01 to 2004-05). Out of 54 cases, demand notices were issued only in two cases. In rest of the cases, no action was taken to recover the same. Besides, interest of Rs.0.49 lakh though leviable was not levied. In another case, interest of Rs.2.78 lakh was not levied as land rent and cess of Rs.44.40 lakh for 2003-04 was paid in 2004-05. Inaction on the part of the district authorities resulted in non realisation of rent of Rs.4.81 lakh and interest of Rs.3.27 lakh.

Government to whom the cases were reported, stated in June 2006 that replies from DL & LRO, North 24 Parganas, Purulia and Paschim Medinipur have not been received. Demand of Rs.1.72 lakh in respect of 5.02 acres has been raised by DL & LRO, South 24 Parganas. Report on realisation has not been received (October 2006).

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<sup>11</sup> North 24 Parganas, Paschim Medinipur, Purulia and South 24 Parganas.