

# **CHAPTER-III**



## CHAPTER III

### 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 Act, 1955; West Bengal Land Reforms Rules, 1965; West Bengal Land Acquisition Manual, 1991; West Bengal Land and Land Reforms Manual, 1991 and Land Transfer Rules contained in the Bengal Land Acquisition Act, 1917. Land Revenue is administered by the Land and Land Reforms (L&LR) Department headed by the Land and Land Reforms Commissioner (LRC) and Additional Chief Secretary, assisted by the Director of Land Records and Surveys (DLR&S) and Joint LRC, Additional District Magistrate (ADM) and District Land and Land Reforms Officers (DL&LROs), Sub-divisional Land and Land Reforms Officers (SDL&LROs), Block Land and Land Reforms Officers (BL&LROs) and Revenue Inspectors.

#### 3.2 Internal audit

The Internal Audit Wing of the L&LR Department was re-introduced in the year 2007-08 with the objective of fulfilling accountability, obligations, complying with applicable rules and regulations, executing orderly and effective operations and safeguarding resources against loss. The Wing is headed by the Audit Officer cum ex-officio Joint Secretary who is assisted by Internal Audit Officers and Assistant Auditors.

Despite being requested (June 2014), the Department did not furnish details regarding Internal Audit Wing (IAW). Therefore, the performance of internal audit conducted by the Department could not be analysed.

#### 3.3 Results of audit

In 2013-14, test check of the records of 10 units relating to receipts from Land Revenue showed irregularities involving ₹ 49.17 crore in 282 cases, which fall under the following categories as given in **Table 3.1**.

Table 3.1

(₹ in crore)

Sl. No.	Categories	Number of cases	Amount
1.	Non-realisation of rent at commercial rate	45	5.04
2.	Non-levy and non-realisation of rent and <i>salami</i>	104	32.62
3.	Non-realisation of rent, cess and surcharge	34	8.88
4.	Non-realisation of land revenue/cess from big <i>raiyats</i>	17	0.46
5.	Blockage/loss of revenue due to non-leasing of <i>sairati</i> interest	25	1.10
6.	Other cases	57	1.07
<b>Total</b>		<b>282</b>	<b>49.17</b>

During the course of the year, the Department accepted non-realisation/blocking of revenue and other deficiencies of ₹ 33.82 crore in 248 cases, of which 224 cases involving ₹ 33.19 crore were pointed out during the year 2013-14 and the rest in earlier years. An amount of ₹ 44.14 lakh was realised in 29 cases at the instance of audit.

A few illustrative cases involving ₹ 14.27 crore are discussed in the following paragraphs.

### 3.4 Non-realisation of revenue on land used for commercial purpose

Sections 22 and 23 of the West Bengal Land Reforms (WBLR) Act, 1955 provide that *raiyats*<sup>77</sup> using land for commercial purposes are liable to pay land revenue at the prescribed rate. Different kinds of cess are also realisable on the land revenue payable by the *raiyats*. The *Bhumi Sahayaks* posted in the Revenue Inspectors' offices under the BL&LROs are responsible for collection of land revenue.

During test check of *Bhumi Sahayaks*' Collection Registers (Register-III) and Rent Receipt Books in nine<sup>78</sup> DL&LROs, Audit found that in 1,259 cases<sup>79</sup> 607 *raiyats* did not pay revenue and cess<sup>80</sup> of ₹ 9.26 crore on 4,101.71 acres of land used by them for commercial purposes for various periods between 2009-10 and 2012-13. The DL&LROs, however, did not initiate any action to realise the dues from them. This resulted in non-realisation of rent, cess and surcharge of ₹ 9.26 crore.

<sup>77</sup> *Raiyat* means a person or an institution holding land for any purpose.

<sup>78</sup> Burdwan (East), Darjeeling, Hooghly, Howrah, Jalpaiguri, Murshidabad, North 24 Parganas, Purba Medinipur and South 24 Parganas.

<sup>79</sup> One instance of non-payment of rent in any year constitutes one case.

<sup>80</sup> Road cess six paise, Public Works cess 25 paise, Primary Education cess 10 paise, Rural Employment cess 30 paise and surcharge 15 paise on each rupee of land rent payable.

After it was pointed out, six<sup>81</sup> DL&LROs admitted (between June 2011 and June 2013) the audit observations in 712 cases involving ₹ 6.02 crore; but did not furnish any report on realisation. In the remaining 547 cases involving ₹ 3.24 crore, five<sup>82</sup> DL&LROs did not furnish any specific reply (November 2014).

The cases were reported to the Government between June 2012 and July 2013 followed by reminders issued upto March 2014; their reply has not been received (November 2014).

### 3.5 Non-realisation of lease rent and interest

Rule 235 of the West Bengal Land and Land Reforms (WBL&LR) Manual, 1991 provides that the rent shall be payable yearly by the lessees/tenants according to the Bengali year and shall fall due on the last day of the Bengali year in respect of which it is paid. Rule 303 prescribes interest at the rate of 6.25 *per cent* per annum on delayed payment of revenue. Further, in case of default, arrear rent and interest are realisable as public demand by certificate proceedings<sup>83</sup> under the Bengal Public Demands Recovery (BPDR) Act, 1913.

During test check of lease registers and case records of lessees in six<sup>84</sup> DL&LROs, audit found that annual lease rent of ₹ 42.39 lakh was not realised for various periods between 2009-10 and 2012-13 in 19 cases from 13 lessees in possession of 104.30 acres of land. Also, certificate proceedings under the BPDR Act to realise the arrears were not initiated. This resulted in non-realisation of rent and interest of ₹ 45.70 lakh (lease rent ₹ 42.39 lakh and interest ₹ 3.31 lakh).

After it was pointed out, four<sup>85</sup> DL&LROs admitted (between May 2012 and June 2013) the audit observations in 13 cases involving ₹ 27.35 lakh; but did not furnish any report on realisation. In the remaining six cases, three<sup>86</sup> DL&LROs did not furnish any specific reply (November 2014).

The cases were reported to the Government between June 2012 and July 2013 followed by the reminders issued upto March 2014; their reply has not been received (November 2014).

### 3.6 Non-realisation of revenue due to non-settlement of long term lease

Rule 238 of the WBL & LR Manual, 1991 provides that Government land, remaining in possession of a person(s) without any lease, may be offered to such person(s) on long term settlement for non-agricultural purpose on

<sup>81</sup> Burdwan (East), Darjeeling, Hooghly, Murshidabad, North 24 Parganas and South 24 Parganas.

<sup>82</sup> Burdwan (East), Howrah, Jalpaiguri, Purba Medinipur and South 24 Parganas.

<sup>83</sup> If the Certificate Officer (a Collector, a Sub-divisional Officer or any other appointed officer) is satisfied that any public demand payable to the Collector is due may sign a certificate and order execution of certificate by attachment and sale or by sale of property or by detaining the defaulter.

<sup>84</sup> Darjeeling, Howrah, Jalpaiguri, North 24 Parganas, Purba Medinipur and Uttar Dinajpur.

<sup>85</sup> Darjeeling, Howrah, Jalpaiguri and North 24 Parganas.

<sup>86</sup> Darjeeling, Purba Medinipur and Uttar Dinajpur.

realisation of rent and *salami*<sup>87</sup> at the prescribed rates. Further, Rule 225 of the Manual prescribes that the procedure of long term settlement is to be completed by the Department within five months from the date of its initiation.

Audit scrutinised files relating to Long Term Settlement cases maintained in BL&LROs and DL&LROs during April 2012 and June 2013. It observed that in six cases under four<sup>88</sup> DL&LROs, 16.82 acres of land were under unauthorised occupation of one brick manufacturer, two private firms, one private educational institution and two individuals. The occupants had applied between August 1999 and March 2012 for long term settlement of the land for the same purposes for which they were using the land. However, these long term settlement were not finalised till date; in two of these cases, the proposals for long term lease settlement were not forwarded by the concerned DL&LROs to the approving authority (L&LR Department), while in the remaining four cases, proposals were pending with the L&LR Department. Thus, failure of the Department to settle the land through lease with the unauthorised occupants within the prescribed time-limit resulted in non-realisation of revenue of ₹ 4.55 crore (Rent: ₹ 0.57 crore and *Salami*: ₹ 3.98 crore).

The Department admitted (between May 2012 and June 2013) the audit observations in four cases involving ₹ 4.42 crore; but did not furnish report on finalisation of the lease settlement. In the remaining two cases involving ₹ 0.13 crore, the Department did not furnish any specific reply (November 2014).

The cases were reported to the Government between June 2012 and July 2013 followed by reminders issued upto March 2014; their reply has not been received (November 2014).

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<sup>87</sup> *Salami* means the lumpsum amount payable by the lessee in the case of settlement of Government land.

<sup>88</sup> Darjeeling, Hooghly, Howrah and North 24 Parganas.