

CHAPTER-III

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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), Revenue Officers and Revenue Inspectors.

3.2 Internal audit

The Internal Audit Wing (IAW) 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.

No Internal Audit Officer was posted in the IAW against sanctioned strength of 16 while the existing strength of Assistant Auditors was 11 against the sanctioned strength of 14. The wing planned to audit 18 DL&LROs, 10 Land Acquisition (LA) Collectors, one First Land Acquisition (FLA) Collector, one Rent Controller and two Controllers of Thika tenancy during the year 2014-15, whereas audit was conducted in respect of 17 DL&LROs, four LA Collectors, one FLA Collector, one Rent Controller and two Controllers of Thika tenancy during the period which was 78.13 *per cent* of the units planned for audit.

3.3 Results of audit

In 2014-15, test check of the records of 12 units relating to receipts from Land Revenue showed irregularities involving ₹ 168.34 crore in 340 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, cess and surcharge	127	78.93
2.	Non-levy and non-realisation of rent and <i>salam</i>	91	60.24
3.	Non-realisation of rent at commercial rate	30	3.26
4.	Blockage/loss of revenue due to non-leasing of <i>sairati</i> interest	12	0.70
5.	Non-realisation of land revenue/cess from big <i>raiyyats</i>	11	0.25
6.	Other cases	69	24.96
Total		340	168.34

During the course of the year, the Department accepted non-realisation/blockage of revenue and other deficiencies of ₹ 108.31 crore in 206 cases, of which 199 cases involving ₹ 108.24 crore were pointed out during the year 2014-15 and the rest in earlier years. An amount of ₹ 7.30 lakh was realised in three cases at the instance of audit.

A few illustrative cases involving ₹ 3.03 crore are discussed in the following paragraphs.

3.4 Non-realisation of revenue on land used for commercial purposes

Sections 22 and 23 of the West Bengal Land Reforms (WBLR) Act, 1955 provide that *raiyyats*⁶⁷ using land for commercial purposes are liable to pay land revenue at the prescribed rate. Further, Section 3 of the West Bengal Rural Employment and Production (WBREP) Act, 1976 provides for levy and collection of a surcharge⁶⁸. Different kinds of cess⁶⁹ are also realisable on the land revenue payable by the *raiyyats*. The *Bhumi Sahayaks* posted in the Revenue Inspectors' offices under the Block Land and Land Reforms Offices (BL&LROs) are responsible for collection of land revenue.

During test check of *Bhumi Sahayaks*' Collection Registers (Register-III) and Rent Receipt Books in six⁷⁰ District Land and Land Reforms Offices (DL&LROs), Audit found (between August 2013 and February 2014) that in 2,314 cases⁷¹ 1,430 *raiyyats* did not pay rent, cess and surcharge of ₹ 1.19 crore on 2,128.71 acres of land being used for commercial purposes for various periods between 2010-11 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 ₹ 1.19 crore.

⁶⁷ *Raiyat* means a person or an institution holding land for any purpose.

⁶⁸ A surcharge of 15 paise (non-irrigated area) and 30 paise (irrigated area) on each rupee of land rent payable.

⁶⁹ Road cess six paise, Public Works cess 25 paise, Primary Education cess 10 paise and Rural Employment cess 30 paise on each rupee of land rent payable.

⁷⁰ Bankura, Burdwan (East), Malda, Murshidabad, Nadia and Paschim Medinipur.

⁷¹ One instance of non-payment of rent in any year constitutes one case.

After it was pointed out, the Department admitted (between August 2013 and May 2015) the audit observations. The cases were reported to the Government between September 2013 and March 2014 followed by reminders issued upto February 2015. Government intimated (May and July 2015) realisation of ₹ 15.84 lakh by two DL&LROs⁷², but no information regarding action taken by remaining DL&LROs has been furnished (October 2015).

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

Rules 223 and 238 of the West Bengal Land and Land Reforms (WBL&LR) Manual, 1991 provide 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 realisation of rent and *salami*⁷³ 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 seven⁷⁴ DL&LROs during May 2012 to September 2013 and found that in 12 cases 17.37 acres of land were under unauthorised occupation. The occupants had applied between June 1998 and December 2011 for long term settlement of the land for the same purposes for which they were using the land. The valuation of the land was done by the DL&LROs between June 2010 and November 2012, however, the long term settlements were not finalised even after substantial lapse of time (ranging from one year and two months to 15 years and two months from the date of application till the date of audit). In three cases the proposals for long term lease were not forwarded by the concerned DL&LROs to the approving authority (L&LR Department) while in the remaining nine 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 ₹ 1.08 crore.

The Department admitted (between June 2012 and March 2013) the audit observations in three cases involving ₹ 4.48 lakh; but did not furnish report on finalisation of the leases. In the remaining cases, the Department did not furnish any specific reply (October 2015).

The cases were reported to the Government between June 2012 and October 2013 followed by reminders issued upto February 2015; their reply has not been received (October 2015).

⁷² Bankura and Paschim Medinipur.

⁷³ *Salami* means the lump sum amount payable by the lessee in the case of settlement of Government land.

⁷⁴ Burdwan (East), Cooch Behar, Hooghly, Howrah, Krishnanagar, Murshidabad and Uttar Dinajpur.

3.6 Non-realisation of rent due to non-renewal of long term lease

Rule 219 of the WBL&LR Manual, 1991 provides that the long term lease shall ordinarily be for a period of 30 years and on expiration of the period the lessee shall be entitled to the option of successive renewals of the lease for the same length of time. Further, Rule 226(i) prescribes that no *salami* shall be charged at the time of the renewal of long term leases. But rent shall be realised at the rate of four *per cent* of the market price of the land at the time of the renewal, if the lease is for industrial or commercial purpose.

During scrutiny of files relating to renewal of long term lease cases between May 2012 and January 2014, Audit found in two DL&LROs, Malda and Murshidabad that in seven cases, leases of land covering area of 4.58 acres used for industrial and commercial purposes expired between April 1996 and April 2009. The occupants had applied for renewal of leases between April 1996 and March 2010. Though valuation of the land was done by the DL&LROs between July 2010 and October 2013, the renewal of leases was not completed even after such substantial lapse of time. In six cases involving ₹ 41.63 lakh, not only the BL&LROs/DL&LROs took time ranging from 44 months to 81 months for forwarding the cases to the Land and Land Reforms (L&LR) Department but also five cases were pending with the Department for the period ranging from eight months to 28 months. In remaining one case involving ₹ 1.77 lakh, the proposal was not forwarded by the concerned DL&LRO to the L&LR Department even after lapse of 20 months from date of application. Thus, failure of the Department to renew the long term lease cases resulted in non-realisation of rent of ₹ 43.40 lakh.

After it was pointed out, the Department admitted (between June 2012 and February 2014) the audit observations however did not furnish any justification for delay in forwarding the cases (October 2015).

The cases were reported to the Government between July 2012 and March 2014 followed by reminders issued up to February 2015; their reply has not been received (October 2015).

3.7 Non-realisation of lease rent and interest

Rule 235 of the 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.

During test check of lease registers and case records of lessees in DL&LROs Nadia and Paschim Medinipur, Audit found that annual lease rent of ₹ 19.94 lakh was not realised for various periods between 2010-11 and 2012-13 in 12 cases from six lessees in possession of 49.35 acres of land. This resulted in non-realisation of rent and interest of ₹ 20.20 lakh.

After it was pointed out, the Department admitted (November 2013) the audit observations in 11 cases involving ₹ 14.22 lakh; but did not furnish any report on realisation. In the remaining one case, the Department did not furnish any specific reply (October 2015).

Government intimated (July 2015) realisation of ₹ 8.79 lakh in ten cases of DL&LRO Paschim Medinipur, but did not furnish any reply in the remaining cases (October 2015).

3.8 Non/short realisation of rent from fisheries

Rules 272 and 275 of the WBL&LR Manual, 1991 prescribe that Government fisheries should be leased out on yearly basis for a period not exceeding seven years, for which the rent is to be fixed by the collector of the district. Further, 25 per cent of the rent for the first year should be deposited at the time of settlement and the balance should be deposited before the beginning of the year. Rents for the successive years should be deposited by the lessee in full before the beginning of the respective year.

In DL&LRO, Malda, Audit found in February 2014 that eight fisheries were leased out between 2008-09 and 2011-12 to five fishermen's cooperative societies. In three cases, rent for 2012-13 and in four cases, rent for 2011-12 and 2012-13 amounting to ₹ 6.49 lakh was not realised. In another case, rent of ₹ 0.79 lakh was realised in lieu of ₹ 6.45 lakh for the period 2011-12 and 2012-13. Thus, there was an overall non/short realisation of rent of ₹ 12.15 lakh in eight cases.

After it was pointed out, the Department admitted (February 2014) the audit observations in four cases involving ₹ 6.77 lakh, but did not furnish any report regarding realisation. In the remaining cases, no specific reply was furnished (October 2015).

The cases were reported to the Government in March 2014 followed by reminders issued upto February 2015; their reply has not been received (October 2015).

