

## CHAPTER V - LAND REVENUE

### 5.1 Results of audit

Test check of the records of the Revenue and Land Reforms Department during 2008-09 revealed non-settlement of vested public land, non-renewal of lease of *khas mahal* etc. amounting to Rs. 1,151.31 crore in 2,395 cases, which could be classified under the following categories:

(Rupees in crore)

Sl. no.	Category	No. of cases	Amount
1.	Non-renewal of lease of <i>Khas Mahal</i> Land	2,340	813.27
2.	Non-eviction of/settlement of encroached public land	9	18.98
3.	Non-settlement of vested land	9	1.14
4.	Non-settlement of <i>Sairats</i>	2	0.03
5.	Other cases	35	317.89
<b>Total</b>		<b>2,395</b>	<b>1,151.31</b>

The department accepted observations relating to non-settlement of vested public land, non-renewal of lease of *khas mahal* etc. of Rs. 338.04 crore in 55 cases pointed out in audit during 2008-09.

A few illustrative audit observations involving Rs. 222.81 crore are mentioned in the succeeding paragraphs:

## **5.2 Audit observations**

*Scrutiny of records in the offices of Revenue and Land Reforms department relating to revenue received indicated several cases of non-observance of the provisions of the Acts/Rules resulting in non levy of rent/penal rent and salami as mentioned in the succeeding paragraphs in this chapter. These cases are illustrative and are based on a test check carried out in audit. Such omissions are pointed out in audit each year, but not only do the irregularities persist; these remain undetected till an audit is conducted. There is need for the Government to improve the internal control system so that recurrence of such lapses in future can be avoided.*

## **5.3 Non-observance of provisions of Acts/Rules**

*The Bihar Government Estates (Khas Mahal) Manual, 1953 and Bihar Public Land Encroachment Act, 1956 (adopted by the Government of Jharkhand) provide for:*

- (i) payment of rent on lease hold property; and*
- (ii) payment of rent and damages for encroached public land..*

*The Revenue and Land Reforms department did not observe some of the provisions of the Act/Rules in cases as mentioned in the paragraph 5.3.1 to 5.3.2 for levy and collection of rent and damages which resulted in non-realisation of rent of Rs. 222.81 crore.*

### **5.3.1 Non-renewal of leases**

Under the provisions of the Bihar Government Estates (Khas Mahal) Manual 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*<sup>1</sup> 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 rent<sup>2</sup> 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.

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

<sup>2</sup> Penal rent is twice the rate of residential rate.

Test check of records of three Anchal offices<sup>3</sup> under Land Reforms Deputy Collector-cum-*Khas Mahal* offices, Ranchi and Jamshedpur (between June and November 2008) indicated that leases of 1,250 lessees holding 263.60 acres of *khas mahal* land had expired between 1968-69 and 2000-01. Neither had the lessees applied for fresh lease nor did the department issue 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. 66.96 crore in shape of penal rent and interest besides *salami* of Rs. 152.18 crore calculated for 2003-04 to 2007-08.

After the cases were pointed out between July and December 2008, the Land Reforms Deputy Collector, Ranchi stated that instructions would be issued to all Anchal Adhikaries and related officers, while the Land Reforms Deputy Collector, Jamshedpur stated that action would be taken for renewal of *Khas mahal* land. Thus, it would be seen that no action for the renewal of expired leases was taken by the Department even after the Government's order of July 2004 for renewal of lease within three months.

### **5.3.2 Non-removal/settlement of encroached public land**

Under the Bihar Public Land Encroachment Act, 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. Further, in the case of settlement of public land for residential/commercial purpose, *salami* at the prevailing market value of such land, together with the annual residential/commercial rent at the rate of two/five *per cent* of *salami*, are payable.

Test check of records of five Anchal Offices<sup>4</sup> of East Singhbhum district in August and September 2008 indicated that 17.20 acres of public land was encroached for residential/commercial purposes between 2001-02 and 2007-08. 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. 3.67 crore.

After the cases were pointed out between September and December 2008, the Sub Divisional Officer, Ghatshila stated that direction was being issued to evacuate encroachment while the Land Reforms Deputy Collector, Dhalbhum stated that direction would be issued to concerned circles for settlement/evacuation of encroached land. Further reply has not been received (January 2010).

The matter was reported to the department and Government in March 2009; their replies have not been received (January 2010).

<sup>3</sup> Jugsalai-cum-Golmuri, Namkum and Ranchi Sadar.

<sup>4</sup> Chakulia, Ghatshila, Patmda, Potka and Sadar (Jamshedpur).