

# 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.

During 2015-16, Land Revenue was administered by the Land and Land Reforms (L&LR) Department headed by the Land and Land Reforms Commissioner (LRC) and Principal Secretary, assisted by one Director of Land Records and Surveys (DLR&S) and Joint LRC, 19 Additional District Magistrate (ADM) and District Land and Land Reforms Officers (DL&LROs), 64 Sub-Divisional Land and Land Reforms Officers (SDL&LROs), 354 Block Land and Land Reforms Officers (BL&LROs), 1,438 Revenue Officers and 3,110 Revenue Inspectors.

#### 3.2 Internal audit

The Internal Audit Wing (IAW) of the L&LR Department was established with the objective of fulfilling accountability, obligations, complying with applicable rules and regulations and safeguarding resources against loss. During 2015-16, the Wing was headed by the Audit Officer cum ex-officio Joint Secretary who was assisted by 11 Assistant Auditors. While no Internal Audit Officer was posted in the wing against sanctioned strength of 16, number of Assistant Auditors posted were 11 against the sanctioned strength of 14. The wing planned to audit 19 DL&LROs, one First Land Acquisition (FLA) Collector, one Rent Controller and two Thika tenancy during 2015-16 and conducted audit of 18 DL&LROs, one FLA Collector, one Rent Controller and one Thika Tenancy during the period, which was 91.30 *per cent* of the units planned for audit.

#### 3.3 Results of audit

In 2015-16, test check of the records of 11 units relating to receipts from Land Revenue showed irregularities involving ₹ 142.20 crore in 375 cases, which fell under the following categories as given in **Table 3.1**.

**Table 3.1**  
**Results of audit**

(₹ in crore)

Sl. No.	Categories	Number of cases	Amount
1.	Non-realisation of Govt. revenue due to non-settlement of long term lease	57	46.72
2.	Non/short realisation of rent, cess and surcharge on land used for commercial purpose	167	21.99
3.	Non-realisation of <i>salami</i> and annual lease rent	45	57.76
4.	Non-realisation of Govt. revenue due to non-renewal of long term lease	12	0.97
5.	Non-realisation of transfer value due to non-settlement of land with Government of India	9	10.37
6.	Non-realisation of land revenue/cess from big <i>raiyats</i>	13	1.70
7.	Blockage/loss of revenue due to non-leasing of <i>sairati</i> interest	13	2.12
8.	Other cases	59	0.57
<b>Total</b>		<b>375</b>	<b>142.20</b>

During the course of the year, the Department accepted non-realisation/blocking of revenue and other deficiencies of ₹ 85.99 crore in 367 cases, of which 326 cases involving ₹ 84.36 crore were pointed out during the year 2015-16 and the rest in earlier years. An amount of ₹ 56.17 lakh was realised in 41 cases at the instance of audit.

A few illustrative cases involving ₹ 79.05 crore are discussed in the following paragraphs.

### 3.4 Non-realisation of transfer value

Rule 471 of West Bengal Land and Land Reforms (WBL&LR) Manual, 1991 provides that transfer of land between the Central and State Government is governed by the principles laid down in Land Transfer Rules, as embodied in Land Acquisition Manual and for such transfer of State Government land, amount payable by the Central Government is transfer value comprising market value and capitalised value of land. As per the order<sup>50</sup> of the West Bengal Government issued in August 2012, the capitalised value of land shall be determined at 25 times of two *per cent* of market value as payable by the Central Government for such land.

In District Land and Land Reforms Office (DL&LRO), Nadia, Audit found in June 2015 that 21 acres of State Government land was under the possession of P1-Basic Seed Farm, a unit of Central Silk Board under Ministry of Textiles, Government of India since October 1985. DL&LRO did not take any action to settle the land and recover the transfer value till the Farm applied for transfer of land in December 2013. DL&LRO sent a proposal for transfer of land to the Land and Land Reforms (L&LR) Department in August 2014. The case was pending with L&LR Department till date of audit (June 2015).

<sup>50</sup> G O No. 4607-LA/3M-32/12 dated 24.08.2012.

Non-initiation of transfer process for more than 28 years (1985 to 2013) and non-finalisation of the proposal led to non-realisation of transfer value of ₹ 5.35 crore (market value ₹ 3.57 crore and capitalised value of ₹ 1.78 crore).

After this was pointed out, the DL&LRO stated (June 2015) that action was being taken to settle the land and realise the amount.

The case was reported to the Government in July 2015, followed by the reminders issued up to November 2016; their reply has not been received.

### 3.5 Non-settlement of long term lease

Rule 238 of the WBL&LR Manual, 1991 provides that Government land, remaining in the 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*<sup>51</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.

During scrutiny of files relating to long term settlement cases in nine<sup>52</sup> DL&LROs, Audit found between June 2014 and September 2015 that in 25 cases 113.90 acres of land was under unauthorised occupation. The occupants had applied between May 2003 and June 2013 for long term settlement of the land for non-agricultural purposes. The valuation of land was done by the DL&LROs between August 2011 and April 2015. However, long term settlements were not finalised even after lapse of periods ranging from one to 11 years. In 11 cases, the proposals for long term lease were not forwarded by the concerned DL&LROs to the approving authority (L&LR Department). In the remaining 14 cases, proposals were pending with the L&LR Department. Thus, due to failure of the Department to settle the land through lease agreement with the unauthorised occupants within the prescribed time limit, revenue realisable from such unauthorised occupants stood at ₹ 19.49 crore (*salami* ₹ 17.79 crore and rent ₹ 1.70 crore).

The Department accepted (between August 2014 and May 2015) the audit observations in 12 cases involving ₹ 8.57 crore; however, it did not furnish report on finalisation of the leases. In the remaining cases, the Department did not furnish any/specific reply (October 2016).

Government stated (November 2016) that reminders were being issued to the DL&LROs for realisation of dues.

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

Rule 219 of the WBL&LR Manual, 1991 provides that a long term lease shall ordinarily be for a period of 30 years and, on expiry 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. However, rent shall be realised

<sup>51</sup> *Salami* means the lump sum amount payable by the lessee in the case of settlement of Government land.

<sup>52</sup> Birbhum, Burdwan (E), Cooch Behar, Dakshin Dinajpur, Hooghly, Howrah, Jalpaiguri, North 24 Parganas and Purulia.

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, Audit observed (December 2014) that in one case under DL&LRO, Dakshin Dinajpur, a lease of land granted to West Bengal State Electricity Distribution Company Limited (WBSEDCL) covering an area of 9.34 acres, had expired in 2001. The occupant had, however, applied for renewal of the lease in September 2012. Though the DL&LRO sent the proposal for renewal of the lease to L&LR Department in January 2014, the case was pending till date of audit. In another case under DL&LRO Purulia, Audit observed (September 2014) that a lease of land covering an area of 0.34 acres, granted to Purulia Wholesale Consumer Co-operative Society Limited, had expired in August 2004. Though the occupant had applied for renewal of the lease in July 2014, the case has been lying with the Block Land and Land Reforms Office (BL&LRO) without any action. Due to non-monitoring of the leases by the L&LR Department, the expired leases were not renewed and rent of ₹ 56.86 lakh<sup>53</sup> has not been realised.

The Department accepted (in September 2014 and December 2014) the audit observations, but did not furnish any justification for delay in disposal of the cases (October 2016).

The cases were reported to the Government (between October 2014 and January 2015), followed by reminders issued up to November 2016; their reply has not been received.

### 3.7 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>54</sup> 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 surcharge<sup>55</sup>. Different kinds of cess<sup>56</sup> are also realisable on the land revenue payable by *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 10<sup>57</sup> DL&LROs, Audit found (between February 2014 and September 2015) that in 5,903 cases<sup>58</sup> 3,037 *raiyats* did not pay rent, cess and surcharge of ₹ 53.24 crore on 48,392.73 acres of land being used for

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<sup>53</sup> Rents were calculated at the rate of four *per cent* per annum on market value of ₹ 3.55 crore.

<sup>54</sup> *Raiyat* means a person or institution holding land for any purpose.

<sup>55</sup> A surcharge of 15 *paise* (non-irrigated) and 30 *paise* (irrigated area) on each rupee of land rent payable.

<sup>56</sup> Road cess six *paise*, public works cess 25 *paise* and primary education cess 10 *paise*, rural employment cess 30 *paise* and surcharge 15 *paise* on each rupee of land rent payable.

<sup>57</sup> Birbhum, Burdwan (W), Cooch Behar, Dakshin Dinajpur, Hooghly, Murshidabad, Nadia, North 24 Parganas, Paschim Medinipur and South 24 Parganas.

<sup>58</sup> One instance of non-payment of rent in any year constitutes one case.

commercial purposes for various periods between 2011-12 and 2014-15. However, the DL&LROs had not initiated any action to realise the dues from them. This resulted in non-realisation of rent, cess and surcharge of ₹ 53.24 crore.

After this was pointed out, seven<sup>59</sup> DL&LROs accepted (between September 2014 and September 2015) the audit observations in 4,626 cases involving ₹ 50.49 crore; but did not furnish any report on realisation. In the remaining cases, DL&LROs did not furnish any specific reply (October 2016).

Government accepted the audit observations and intimated (November 2016) realisation of ₹ 18.34 lakh in 1,336 cases by three<sup>60</sup> DL&LROs. In the remaining cases, they did not furnish specific details in respect of realisation.

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

Rule 235 of the WBL&LR Manual, 1991 provides that the rent shall be payable yearly according to the Bengali year which falls due on the last day of the 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 scrutiny of lease registers and case records of lessees in five<sup>61</sup> DL&LROs, Audit observed (between June 2014 and September 2015) that annual lease rent of ₹ 37.86 lakh was not realised in 28 cases from 26 lessees in possession of 86.25 acres of land in respect of periods between 2010-11 and 2014-15. It indicates that the Department did not monitor the lease registers to keep track of timely collection of lease rents. This resulted in non-realisation of annual rent and interest of ₹ 40.41 lakh (lease rent ₹ 37.86 lakh and interest ₹ 2.55 lakh).

After this was pointed out, two<sup>62</sup> DL&LROs accepted (June 2014 and June 2015) the audit observations in five cases involving ₹ 28.09 lakh and stated that action would be taken to realise the dues. In the remaining cases, the authorities did not furnish any specific reply (October 2016).

Government accepted the audit observations and intimated (November 2016) realisation of ₹ 8.46 lakh in four cases by DL&LRO Howrah. In the remaining cases, they did not furnish specific details in respect of realisation.

<sup>59</sup> Burdwan (W), Dakshin Dinajpur, Hooghly, Murshidabad, Nadia, Paschim Medinipur and South 24 Parganas.

<sup>60</sup> Paschim Medinipur, North 24 Parganas and Nadia.

<sup>61</sup> Cooch Behar, Howrah, Jalpaiguri, Nadia and Purulia.

<sup>62</sup> Howrah and Nadia.

