

CHAPTER 4
REVENUE AND LAND
REFORMS

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4.1 Tax administration

The Revenue and Land Reforms Department acquires and alienates land and levies and collects land revenue in Bihar. The Collector is responsible for the land acquisition who is assisted by the District Land Acquisition Officer (DLAO).

The Principal Secretary-cum-Commissioner is the administrative head and assisted by three Directors and Special Secretary, Joint Secretary, Deputy Secretary at the Headquarters level. The Divisional Commissioners, Collectors, Additional Collectors, District Land Acquisition officer (DLAO), Deputy Collectors and Circle Officers are responsible to carry out the work at the field level. Circle officers are responsible for maintenance of land records and collection of land revenue.

4.2 Results of audit

During 2020-21, Audit test checked records of two¹ out of 961 units of the Revenue and Land Reforms Department. Audit scrutiny revealed non-settlement of *Sairats* and other irregularities involving ₹ 37.78 crore in 19 cases as shown in **Table-4.1** below.

Table-4.1
Results of Audit

Sl. No.	Categories	No. of observations	Amount (₹ in lakh)
1.	Non-settlement of <i>Sairats</i>	1	0.80
2.	Other cases	18	3,777.30
	Total	19	3,778.10

The Department neither accepted any cases nor any recovery was done during 2020-21. The replies in all the cases of 2020-21 and those of earlier years were awaited (March 2022).

Irregularities involving three paragraphs worth ₹ 11.46 crore have been illustrated in this chapter.

4.3 Incorrect calculation of Award

Land acquisition is the process by which Government acquires land for a public purpose such as the development of industry, infrastructural facilities and urbanisation, and provides compensation to the affected landowners with rehabilitation and resettlement. Land acquisition process is governed by “Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation, and Resettlement Act (RFCTLARR), 2013” and the subsequent amendments made from time to time by the Union and Bihar Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation, and Resettlement, (BRFCTARR) Rules, 2014.

¹ Circle Office, Patna Sadar and Principal Secretary, Revenue and Land Reforms Department.

4.3.1 Short calculation of Solatium

Application of incorrect calculation method resulted in short levy of solatium of ₹ 2.22 crore leading to short payment to 17 landowners.

As per section 30(1) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, the Collector having determined the total compensation to be paid, shall, to arrive at the final award, impose a "Solatium"² equivalent to one hundred *per cent* of the compensation amount. As per point 5 of the First Schedule of the Act, 2013, Solatium, which is equivalent to one hundred *per cent* of the market value of the land plus value of assets attached to the land is payable to the land owners.

Audit test check (September 2021) of records of land acquisition project files related to Mahatma Gandhi Central University of Bankat *mauja*, Motihari maintained in District Land Acquisition Office (DLAO), Motihari revealed that the DLAO did not consider the value of assets attached to the land during calculation of the solatium. Thus, incorrect calculation by the DLAO resulted in short levy of solatium of ₹ 2.22 crore leading to short payment to 17 land owners as detailed in **Annexure-X**.

The DLAO concerned accepted (September 2021) the audit observation and stated that the revised estimate proposal would be sent to the Department.

The matter was reported to the Government (February 2022); the reply was awaited (March 2022).

4.3.2 Short payment of additional compensation

Short payment of additional compensation of ₹ 8.60 crore to the landowners due to incorrect calculation.

Section 23(1) of the Land Acquisition Act, 1894 read with Section 30(3) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act, 2013 provides for payment of additional compensation at the rate of 12 *per cent* of the market value of the land from the date of publication of notification of the Social Impact Assessment study till the date of the award of the Collector or the date of taking possession of the land, whichever is earlier.

Audit test check of records of four projects³ in five *maujas*⁴ of two districts⁵ between August and September 2021 revealed that the authorities, while calculating additional compensation did not consider the correct date of possession of land/ date of award. This incorrect calculation resulted in short calculation of additional compensation for ₹ 8.60 crore, as detailed in **Annexure-XI**.

² It is a component of compensation payable to the land owners.

³ Hajipur-Sugauli New Rail Line, Indo-Nepal Border Road Project, Kesariya Baudh Stup and Mahatma Gandhi Central University.

⁴ Fursatpur, Jasauli, Jogbani, South Maheshvari and Tejpur Deur.

⁵ Araria and Motihari.

The Director, Land Acquisition, Bihar, Patna in Indo-Nepal Border Road Project accepted the audit observation and stated (September 2021) that correspondence was being made with the DLAOs concerned. Further, DLAO, Motihari accepted the audit observation in case of remaining three projects and stated (September 2021) that rectification was being done considering it as arithmetical error.

The matter was reported to the Government (February 2022); the reply was awaited (March 2022).

4.3.3 Non-levy of cess on the capitalised value of rent

Cess of ₹ 63.15 lakh as a percentage of the capitalised value of the annual rent for 25 years of the land under acquisition, was not levied.

Section 22 and 23 of the Bihar Land Reforms Act 1950 read with instructions issued (June 2000) by the Revenue and Land Reforms Department, Government of Bihar provide for realisation of Education Cess, Health Cess, Agriculture Development Cess and Road Cess at the rate of 50 per cent, 50 per cent, 20 per cent and 25 per cent respectively of capitalised value of annual rent of the lands for twenty five years.

Scrutiny of approved estimates (September 2021) of four *maujas*⁶ of two land acquisition projects⁷ maintained in District Land Acquisition Office (DLAO), Motihari revealed that 145 per cent cess on capitalised value of annual rent for 25 years of the land under acquisition, was not assessed while finalising the estimates for the concerned projects. Thus, the DLAO failed to comply with the instructions issued by the Department. This resulted in non-levy of cess for an amount of ₹ 63.15 lakh on the capitalised value of rent of ₹ 43.55 lakh as detailed in **Annexure-XII**.

On this being pointed out by Audit, the DLAO, Motihari stated (September 2021) that the observation of audit has been noted for future guidance. The reply is not acceptable as the DLAO did not give any specific reply on non-levy of cess on capitalised value of rent.

The matter was reported to the Department (February 2022); the reply was awaited (March 2022).

⁶ Bankat, Fursatpur, Dhekha Chadar No 3 & 4 and Sundarpur Chadar No 7 & 8.

⁷ Mahatma Gandhi Central University, Motihari and Construction of high level 27 km RCC bridge on river Gandak on Chakiya Kesariya Sattarghat.

