

CHAPTER 5 : Land Revenue

5.01 Results of Audit

Test check of the records of the revenue circles, conducted in audit during the year 2001-02, revealed non/short levy of cesses, losses of revenue etc. amounting to Rs. 58.69 crore in 480 cases, which broadly fall under the following categories: -

(Rupees in crore)			
Sl. No.	Category	No. of cases	Amount
1.	Non-settlement of vested lands	124	6.10
2.	Non-fixation of <i>salami</i> and commercial rent	90	30.32
3.	Non-levy and short levy of cesses	126	3.55
4.	Non-settlement of <i>sairats</i>	41	0.98
5.	Other cases	99	17.74
Total		480	58.69

During the year 2001-02, the concerned department accepted under-assessments etc. of Rs.6.83 crore involved in 80 cases of which 46 cases involving Rs. 5.94 crore had been pointed out in audit during 2001-02 and the rest in earlier years.

A few illustrative cases involving tax effect of Rs. 5.89 crore are discussed in the following paragraphs: -

5.02 Non-removal/non-settlement of encroachment on public land

Under the Bihar Public Land Encroachment Act, 1956, if a person has encroached any public land, he may be served a notice to vacate the encroachment or to settle such land on payment of rent and damages, as per rules laid down in the Bihar Government Estates (*Khas Mahal*) Manual, 1953. Accordingly, in case of impairment of the value of public land by its use for residential/commercial purposes, *salami* at the prevailing market value together with annual commercial / residential rent at one fiftieth /one twentieth of *salami* respectively is payable. Mention was made regarding encroachment of Government land in Report of the Comptroller and Auditor General of India (Revenue Receipts) for the year ended 31 March 2000 vide paragraph 6.02 (B).

In Additional Collector's Office, Purnea it was noticed (May 2002) that 196 persons had encroached (during 1999-2000 and 2000-01) 10.11 acres of land by constructing buildings for residential purposes. No action was taken either to get the encroached land evicted or to regularise the same. This resulted in non-realisation/ of *salami* and residential rent of Rs. 4.50 crore.

On this being pointed out (May 2002), the Additional Collector, Purnea stated (May 2002) that action was being taken to vacate the encroached land. Further reply has not been received (November 2002).

The cases were reported to the Government (May 2002); their reply has not been received (November 2002).

5.03 Non-fixation and non realisation of land rent

Under the provisions of the Bihar Tenancy Act, 1885 amended with effect from 26 August 1993, a *raiyyat* may, with previous permission of the Collector, use his land for purpose other than those specified in the original Act. The Collector, before giving such permission shall re-determine the rent of such land to the extent of five per cent but not less than three per cent of the market value of such land. Provided further that if a *raiyyat* has not taken prior permission for such use, the Collector may give *post-facto* permission on payment of double the amount of rent which he would have been liable to pay, had he applied in time for the period between the date of use and the date of application.

In 6 Revenue Anchals¹, in 3 districts², 96 *raiyyats* having tenancy for agricultural purposes converted 57.9708 acres of land for other purposes by installing thereon Brick kiln, Crusher Machines, Shops, Petrol Pumps etc. for the period between 1990-91 and 2000-01. Action to evict the tenants or to regularise the occupancy by re-fixing rent had not been taken in any of these

¹ Dehri, Gaighat, Nasriganj, Munger Sadar, Nokha and Vikramganj.

² Rohtas, Munger and Muzaffarpur.

cases and the *raiya*s continued to hold their tenancy on agricultural rent. This resulted in non-realisation of revenue amounting to Rs.1.05 crore calculated for the period from 1995-96 to 2000-2001.

On this being pointed out (May and June 2001), the Anchal Adhikaries (AA), Dehri and Nasriganj stated (June 2001) that process for realisation was being expedited. AAs, Munger Sadar and Gaighat stated (June 2001) that the cases had been referred to the Dy. Collector, Land Reforms. AA, Nokha stated (May 2001) that notices were issued to the leaseholders while AA, Vikramganj stated (June 2001) that certificate proceedings had been started for realisation of rent. Further replies have not been received (April 2002).

The cases were reported to the Government (May 2002); their reply has not been received (November 2002).

5.04 Non/short levy of cesses

Under the Bihar Land Rent (Exemption from Payment) Act, 1981, Government exempted small holdings upto 2 hectares from levy of land rent with effect from 1 April 1978. However, as per the Act *ibid*, such holdings were not exempted from levy of various cesses like road cess, education cess, health cess and agricultural development cess leviable under the relevant Cess Act. In September 1982, Government while communicating the revised rates of different cesses had also instructed all the Revenue Officers in Bihar to levy and collect cesses in respect of all tenants (*raiya*s) including those exempted from payment of land rent, as aforesaid.

During test check of records of in 2 Revenue Anchals, Dinara and Tarari in the districts of Rohtas and Bhojpur it was noticed (May and August 2001) that the above cesses of Rs. 18.16 lakh were not levied in respect of holdings exempted from payment of land rent for the years 1995-96 to 2000-2001.

On these being pointed out (May and August 2001), the Revenue Officers concerned stated (May and August 2001) that action for realisation would be taken. Further reply has not been received (November 2002).

The cases were reported to the Government (May 2002); their reply has not been received (November 2002).

5.05 Unauthorised utilisation of departmental receipts towards expenditure

Under the provisions of the Bihar Financial Rules, Volume I, it is the duty of the departmental controlling officers to see that all sums due to government are promptly assessed, realised and duly credited in the Public Accounts. Further, the Bihar Treasury Code also provides that all moneys received by or tendered to government servants on account of the revenue of the state shall,

without undue delay, be paid in full into the treasury for credit into government account.

During test check of record of revenue anchal, Bettiah Sadar (West Champaran), it was noticed (October 2001) that a sum of Rs. 15.78 lakh collected prior to 1998-99 on account of Land Revenue was utilised towards expenditure instead of depositing the same into the treasury. This resulted in not accounting the amount under the relevant revenue head and its unauthorised diversion towards expenditure without the approval of the State Legislature.

On this being pointed out (October 2001), the AA, Bettiah Sadar (West Champaran) stated (October 2001) that demand for allotment of funds in the expenditure head concerned had been made and on receipt of funds the amount would be adjusted. Reply of the assessing officer is not tenable as departmental receipts as per financial rules, cannot be utilised towards departmental expenditure.

The case was reported to the Government (May 2002); their reply has not been received (November 2002).