

## CHAPTER III LAND REVENUE

### 3.1 Results of audit

Test check of records of land revenue in District Land and Land Reforms Offices conducted in audit during the year 2002-03, revealed non/short realisation of revenue amounting to Rs.77.37 crore in 61 cases which broadly fall under the following categories:

*(Rupees in crore)*

Sl. No.	Categories	No. of cases	Amount
1	Non-levy/non-realisation of damage fee due to unauthorized occupation of Government land	14	69.79
2	Non-settlement of land	2	0.11
3	Non-levy and non-realisation of rent and salami	13	0.85
4	Loss of revenue due to non-leasing of sairati interest	5	0.94
5	Other cases	27	5.68
<b>Total</b>		<b>61</b>	<b>77.37</b>

During the course of the year 2002-03 the concerned Department accepted underassessments etc. of Rs.4.34 crore involved in 59 cases of which 37 cases involving Rs.2.43 crore had been pointed out in audit during the year 2002-03 and the rest in earlier years. An amount of Rs.1.59 lakh was realised at the instance of audit.

A few illustrative cases involving Rs.28.92 crore highlighting important observations are given in the following paragraphs :

### 3.2 Non-realisation of rent and salami

Under the provisions of the West Bengal Land and Land Reforms Manual (WBL & LR), 1991, if the Government lands remained in possession of person/persons without any lease, such persons may be offered long term settlement on realisation of rent and salami. In case of refusal by the occupiers for regularisation of their unauthorised possession of Government land through lease agreement they are to be evicted as per laws.

Scrutiny of records of five<sup>1</sup> District Land and Land Reforms Offices (DL & LRO) revealed that 41 individuals in five districts had been illegally occupying 11.50

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<sup>1</sup> Birbhum, Burdwan(East), East Midnapore, Hooghly and Purulia.

acres of non-agricultural Government land involving Rs.0.51 crore for commercial and residential purposes since 1980. In 34 cases, the District Authorities had initiated proposal for long term settlement between June 1985 and November 2000, but did not complete the same till August 2002 and in other cases the authority did not initiate action either to settle the land with the encroachers on long term lease or to evict them. Thus non-settlement of land resulted in non-realisation of revenue of Rs.37.30 lakh in the shape of rent and salami for the period between 1980 and 2002.

On this being pointed out, the DL & LRO, East Midnapore realised Rs.1.23 lakh out of Rs.6.26 lakh in June 2003 while other District Authorities stated that action would be taken for regularisation of the cases.

The cases were reported to Government between June 2001 and October 2002; their reply has not been received (November 2003).

### **3.3 Non-realisation of revenue due to non-execution of long term lease**

Under the provisions of the WBL & LR Manual, 1991, the process of settlement of long term lease is to be completed ordinarily within five months from the date of application. The annual rent is payable at the rate of four per cent of market value of the land and salami is payable at the rate of 10 times the annual rent.

Scrutiny of records of four<sup>2</sup> DL & LR Offices revealed that eight individuals in four districts had applied for allotment of 13.73 acres of non-agricultural land between May 1994 and March 1998 on long term settlement basis. The process for settlement was not completed till June 2003 due to inaction on the part of the Department. This resulted in non-realisation of revenue of Rs.5.39 lakh as annual rent for different periods between December 1995 and November 2002 and salami of Rs.10.31 lakh.

On this being pointed out, the District Authorities stated that action would be taken for early settlement of the cases on long term leases.

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<sup>2</sup> Coochbehar, Dakshin Dinajpur, East Midnapore and Nadia.

The cases were reported to Government between November 2001 and September 2002; their reply has not been received (November 2003).

### **3.4 Non-assessment and non-realisation of market value and capitalised value of land transferred to the Central Government Departments**

Under the provisions of the WBL & LR Manual, 1991, in the case of transfer of land of the State Government to the Central Government Departments, compensation would have to be paid to the State Government which would ordinarily be the market value of the land and capitalised value of the land revenue assessable thereon. The capitalised value is to be determined at 25 times of the annual rent upto 2 September 1993 and at 20 times thereafter.

Scrutiny of records of three<sup>3</sup> DL & LR Offices revealed that the DL & LRO, Darjeeling handed over 292.38 acres of non-agricultural land to Defence Department between 1957-58 and 1968-69 and the DL & LROs of the other two districts handed over 1.07 acres of land on three occasions to different Central Government Departments viz. Telecommunication, Postal and Customs between September 1986 and January 1989. But the Department did not assess and realise market value and capitalised value of the lands handed over to them. This resulted in non-assessment and non-realisation of market value and capitalised value of the land along with interest of Rs.26.78 crore.

On this being pointed out, the DL & LRO, Darjeeling accepted audit observations. The Department intimated that it had held a meeting on 22 November 2001 wherein the Defence Department had agreed for settlement of the land within shortest possible time. The other two District Authorities stated between November and December 2001 that action would be taken to settle the cases with the Central Government Departments.

The cases were reported to Government between July 2001 and February 2002; their reply has not been received (November 2003).

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<sup>3</sup> Coochbehar, Darjeeling and Jalpaiguri.

### **3.5 Non-realisation of revenue due to irregular transfer of Government land**

Under the provisions of the WBL & LR Manual, 1991, Government non-agricultural land may be settled on long term lease basis on realisation of annual rent fixed by the Collector at four per cent of the market value and salami, in lump sum, at 10 times of annual rent. After approval of Land and Land Reforms Department (L & LR Department), a lease deed should also be executed before handing over possession of the land. In case of Government land held by other Departments, the land in question cannot be transferred/settled without relinquishing the land to L & LR Department.

Scrutiny of records of seven<sup>4</sup> DL & LR Offices revealed that in seven cases, 1032.20 acres of non-agricultural land valued at Rs.94.98 lakh had been handed over to four local bodies, two Government Undertakings and one Co-operative. Of these, four cases involving 1,015 acres of land had been approved between 1991 and 2001 by the L&LR Department on long term leases. However, out of the realisable rent and salami of Rs.31.28 lakh, only Rs.20.89 lakh was realised upto June 2003 and the balance Rs.10.39 lakh remained unrealised. In the remaining three cases Government land was transferred without approval by the L & LR Department. Of these, in two cases, land was transferred by two<sup>5</sup> Government Departments between February and November 1988 without relinquishment to L & LR Department. No lease agreement was executed in these cases. Consequently, the annual rent and salami of Rs.67.35 lakh could not be realised.

On these being pointed out, the DL & LR Officers in four cases stated that the occupiers had been asked to deposit the balance amount of rent and salami; in one case (Darjeeling) proposal for long term settlement had been sent to the L & LR Department for sanction; in the remaining two cases (Coochbehar and West Midnapore), the concerned DL & LR Officers did not furnish any specific reply.

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<sup>4</sup> Coochbehar, Darjeeling, East Midnapore, Murshidabad, Nadia, Uttar Dinajpur and West Midnapore.

<sup>5</sup> Agriculture Department and Education Department

The cases were reported to Government between July 2001 and September 2002; their reply has not been received (November 2003).

### **3.6 Underassessment of market value of land and delay in settlement**

The WBL & LR Manual, 1991, provides that the market value of the land proposed for settlement should be carefully assessed with reference to the records of recent sales of similar categories of land.

Scrutiny of records of the DL & LRO, Birbhum revealed in March 2002 that Bakreswar Thermal Power Project (BKTPP) applied in March 1993 for long term settlement of 136.71 acres of land. The L & LR department approved in December 1999 the lease of 103.42 acres of land for 30 years on market value thereof at Rs.9.36 lakh and handed it over in April 2000, though the Department had assessed a part of said land of 49.22 acres for Rs.8.89 lakh in January 1997. The minimum value of 103.42 acres of land should have been Rs.18.67 lakh. This led to undervaluation of Rs.9.31 lakh resulting in loss of revenue of Rs.11.40 lakh on account of annual rent and Rs.3.80 lakh as salami.

On this being pointed out, the District Authority did not furnish any reply.

The case was reported to Government in May 2002; their reply has not been received (November 2003).

### **3.7 Non-realisation of lease rent in respect of sairati interests**

Under the provisions of the WBL & LR Manual, 1991, all sairati<sup>6</sup> interests like fisheries/jalkar etc. would be leased out on year to year basis but not exceeding seven years at a time. The Collector has to fix the economic rent and realise 25 per cent of the annual rent at the time of settlement of sairati interests and the

balance before the beginning of the year. Rent for the successive years is to be deposited by the lessee in full before the beginning of the respective year and a

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<sup>6</sup> Derived from the word **sair**. The duties which the owner of Hat, Bazar, Markets, Ferries, Fisheries etc. used to levy on commodities sold or benefits derived in those places were designated as sair collections. Such Hats, Ferries, Fisheries etc. are known as sairati interests.

*Audit Report (Revenue Receipts) for the year ended 31 March 2003*

lease agreement is required to be executed beforehand. Arrears of rent is recoverable under the Public Demand Recovery Act, 1913.

Scrutiny of records of three<sup>7</sup> DL & LR Offices revealed that the District Authorities had leased out 199 water bodies/jalkars etc. to different fishermen co-operative societies. Out of the total realisable amount of Rs.60.07 lakh towards lease rent for the years between 1992 and 2001, DL & LRO, Murshidabad realised a part of rent of Rs.13.35 lakh. The other two District Authorities did not take action to recover the amount themselves or recover the same under P.D.R.Act,1913. This resulted in non/short realisation of revenue of Rs.46.72 lakh.

On these being pointed out, the District Authorities stated that action would be taken to realise the outstanding dues.

The cases were reported to Government between November 2001 and February 2002; their reply has not been received (November 2003).

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<sup>7</sup> Maldah, Murshidabad and Nadia.