

CHAPTER III LAND REVENUE

3.1 Results of audit

Test check of the records of land revenue offices conducted during the year 2008-09 indicated underassessment, non/short levy of revenue and other deficiencies amounting to Rs. 110.50 crore in 53 cases which can be classified under the following categories:

(Rupees in crore)			
Sl. No.	Category	No. of cases	Amount
1.	Alienation of government lands, non-recovery of market value	7	106.55
2.	Incorrect grant of remission of water tax	14	2.59
3.	Non-levy of interest on arrears of land revenue	2	0.47
4.	Non/short levy of road cess	22	0.39
5.	Non/short levy of water tax	5	0.31
6.	Non/short levy of non-agricultural land assessment (NALA)	1	0.05
7.	Other irregularities	2	0.14
Total		53	110.50

During the year 2008-09, the department accepted underassessments and other deficiencies totalling Rs. 66.15 lakh in 22 cases, of which 20 cases involving Rs. 63.50 lakh were pointed out during the year 2008-09 and the rest in earlier years. Out of this, Rs. 0.74 lakh in two cases was realised during the year.

A few illustrative audit observations involving Rs. 5.72 crore are mentioned in the succeeding paragraphs.

3.2 Audit observations

Scrutiny of the records in the various offices of land revenue relating to revenue received from water tax, road cess indicated several cases of non-observance of the provisions of the Acts/Rules resulting in non/short levy of tax and other cases 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, 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 such omission can be avoided.

3.3 Non-finalisation of alienation of land

According to the Board Standing Orders (BSO), alienation of the Government land to a company, private individual or institution for any public purpose will normally be on the collection of its market value/occupancy price and subject to the terms and conditions prescribed in the BSO. The BSO permits handing over of the possession of the land in emergency cases pending formal approval of the alienation proposal. Neither any time limit nor any return has been prescribed for watching the finalisation of the proposals.

Test check of the records of five offices of the tahsildars⁶³ (January 2003 and November 2008) indicated that in five cases advance possession of Government land admeasuring 1,304.24 acres valued⁶⁴ at Rs. 109.22 crore was handed over to five organisations between October 1989 and August 2006. The alienation proposals were pending with the department for a period ranging between two and half and 19 years. Thus, non-finalisation of alienation proposals resulted in blocking of revenue totalling Rs. 109.22 crore.

After the cases were pointed out, the concerned tahsildars stated between July 2007 and November 2008 that the matters relating to alienation of land were being referred to the collectors/revenue divisional officers for further necessary action at their end. Reasons for the delay in sending the alienation proposal to higher authorities were not intimated (February 2010).

The matter was referred to the department between August 2008 and February 2009 and the Government in April 2009; their reply has not been received (February 2010).

The Government may consider providing a time limit for alienation of the government land granted to various organisations and bodies and improve the internal control to ensure that the proposals are finalised in time.

⁶³ Ghatkesar, Gudupalle, Jangaon, Karvetinagar and Pendurthy.

⁶⁴ The value of land has been calculated at the market value available in the records of the concerned Tahsildar.

3.4 Loss of revenue due to short collection of conversion fee

As per Section 3(1) of Andhra Pradesh Agricultural land (conversion for non-agricultural purpose) Act 2006 (Act), no agricultural land in the State shall be put to non-agricultural purpose, without prior permission of the competent authority. Section 4(1) of the Act, provides that every owner or occupier of agricultural land shall pay a conversion fee at the rate of 10 *per cent* of the basic value of the land converted for non-agricultural purposes. If the conversion fee so paid is found to be less than the fee prescribed, a notice shall be issued by the competent authority to the applicant within 30 days of the receipt of application intimating the deficit amount to him. In case no intimation is received by the applicant within 30 days about the deficit payment of the conversion fees, it shall be deemed that the amount paid is sufficient for the purpose.

Test check of the records of the tahsildar, Kothur, Mahabubnagar district (June 2008) indicated that two units⁶⁵ filed an application for the conversion of 188.125 acres of agriculture land for non-agricultural purpose. The Revenue Divisional Officer (RDO), Mahabubnagar issued orders converting the land and collected Rs. 7.60 lakh as conversion fee by adopting the basic value of the land as Rs. 76 lakh. As the sale consideration mentioned in the registered document was Rs. 18 lakh per acre, this was required to be adopted by the RDO, Mahabubnagar to arrive at the basic value of the land for the purpose of conversion fee. Non-adoption of the actual consideration as basic value of the land resulted in short collection of conversion fee by Rs. 3.31 crore. Further, chances for realisation of Rs. 3.31 crore collected short are remote as the limit of 30 days for demanding the deficit amount is already over.

After the case was pointed out, the tahsildar, Kothur stated (June 2008) that the matter would be examined in consultation with RDO, Mahabubnagar.

The above matter was referred to the department in November 2008 and the Government in February 2009; their reply has not been received (February 2010).

3.5 Incorrect grant of remission of water tax

As per the provisions of Andhra Pradesh (AP) Water Tax Act, 1988, water tax is leviable on all types of land receiving water from the Government sources. Further, as per integrated village accounts, only the Government is competent to remit water tax and the Collectors are required to obtain orders from the Government whenever such cases of remission arise. Remission granted by the Government has to be noted in Account 4-B of the village accounts.

Test check of the *jamabandi*⁶⁶ records (Account 4-B) of 11 offices of the tahsildars⁶⁷ (April and September 2008) indicated that the remission of water

⁶⁵ M/s Amsri Builders, Secunderabad and M/s Amsri Spire Constructions Pvt. Ltd., Secunderabad.

⁶⁶ *Jamabandi* means finalisation of village accounts and demand.

⁶⁷ Cheedikada, Gangavaram, Garugubilli, Nathavaram, Parvathipuram, Pedapadu, Pedavegi, Punganur, Rajavommangi, Ramasamudram and Salur.

tax amounting to Rs. 2.22 crore was granted by the *jamabandi* officers⁶⁸ for the years 1 July 1997 to 30 June 2005 (*fasli years*⁶⁹ 1407 to 1414) without sanction of the Government. This was incorrect and resulted in short realisation of Government revenue to that extent.

After the cases were pointed out, all concerned tahsildars except that of Rajavommangi stated (May and September 2008) that the proposals for grant of remission had been/would be referred to the higher authorities/Government. The tahsildar, Rajavommangi stated (May 2008) that remission was allowed as the Government declared the mandal as drought hit. The reply is not tenable as the orders for remission of water tax were neither issued by the Government nor were these obtained by the concerned district collectors.

The above matter was referred to the department between July and November 2008 and the Government in February 2009; their reply has not been received (February 2010).

3.6 Non-levy of water tax

As per the AP Water Tax Act, all lands receiving water for irrigation from a Government notified source of irrigation shall be subjected to water tax. For this purpose, all major and medium irrigation sources shall be regarded as category-I. The rate of water tax for first or single wet crop irrigation with water from category-I source is Rs. 200 per acre.

Test check of the records of office of the tahsildar, Karvetinagar, Chittoor district (April 2008) indicated that water tax amounting to Rs. 13.36 lakh was not levied by the Tahsildar though 6,678.10 acres of land was irrigated with water from Krishnapuram Project reservoir during the period 1 July 1998 to 30 June 2004⁷⁰ (*fasli years* 1408 to 1413).

After the case was pointed out, the tahsildar, Karvetinagar stated (April 2008) that action would be taken to levy water tax.

The above matter was referred to the department in July 2008 and the Government in March 2009; their reply has not been received (February 2010).

3.7 Non/short levy of road cess

Under the AP Irrigation, Utilisation and Command Area Development Act, 1984, read with the notifications issued thereunder, road cess at the rate of Rs. 12.35 per hectare per annum is leviable for laying of roads and their upkeep in the command areas of Nagarjunasagar, Sriramsagar and Tungabhadra projects. The Commissioner of Land Revenue, clarified in

⁶⁸ *Jamabandi officer* is District Collector or any other officer nominated by him not below the rank of RDO.

⁶⁹ *Fasli year* means period of 12 months from July to June.

⁷⁰ *Jamabandi* for fasli years 1408-1413 was completed in the year 2007-08.

August 1989⁷¹ that the road cess is leviable on all *ayacutdars*⁷² irrespective of the formation of roads and supply of water in their command areas relating to the above projects.

Test check of the *jamabandi* records of five offices of the tahsildars⁷³ (February and December 2008) indicated that the road cess of Rs. 4.97 lakh was not levied on ayacutdars in the command areas of the above projects in four cases, while it was levied short by Rs. 63,646 in one case during the period 1 July 1998 to 30 June 2003 (*fasli* years 1408 to 1412). This resulted in non/short levy of road cess of Rs. 5.60 lakh.

After the cases were pointed out, all the tahsildars stated (February and December 2008) that the demands for the road cess would be raised in the next *jamabandi*.

The above matter was referred to the department between June 2008 and January 2009 and the Government in March 2009; their reply has not been received (February 2010).

⁷¹ Z2/486/88 dated 28 August 1989.

⁷² Land owners in command areas of irrigation projects.

⁷³ Gooty, Mogulapalli, Muppalla, Tadipatri and Yellanur.