

## CHAPTER-IV: LAND REVENUE

### 4.1 Tax administration

The Land Revenue Department is headed by the Principal Secretary at the Government level. He is assisted by the Commissioner, Settlement and Land Record (CSLR) and four Divisional Commissioners (DCs). The DCs exercise administrative and fiscal control over the districts included in the divisions. In each district, Collector administers the activities of the Department. It is entrusted upon the Collector of the district to place one or more Assistant Collectors or Joint Collectors or Deputy Collectors in charge of a sub-division of a district.

### 4.2 Internal Audit

The Internal Audit Wing (IAW) of a Department is a vital component of its internal control mechanism and is generally defined as control of all controls. It enables the organisation to ensure itself that the prescribed systems are functioning reasonably well. We, however noticed that IAW not in existence leaving the Department vulnerable to risk of leakage of revenue.

### 4.3 Results of Audit

In 2013-14, we test checked the records of 28 out of 165 units of the Land Revenue Department and found non-recovery of ground rent and premium, non-levy/realisation of cess, non/short levy of process fee, delay in collection of Revenue Recovery Certificates and other irregularities etc. amounting to ₹ 616.27 crore in 11,999 cases, which fall under the following categories in the **Table 4.1** below:

**Table 4.1**

(₹ in crore)

Sl. No.	Category	Number of cases	Amount
1.	Blockage of ground rent and premium	93	575.45
2.	Non levy/realisation of cess	6	0.65
3.	Non/short levy of process fee	26	0.04
4.	Delay in collection of Revenue Recovery Certificates	1,925	25.07
5.	Other irregularities	9,949	15.06
<b>Total</b>		<b>11,999</b>	<b>616.27</b>

During the course of the year, the Department accepted non-recovery of ground rent and premium, non/short levy of process fee, non-levy/realisation of cess/ delay in collection of Revenue Recovery Certificates etc. of ₹ 29.44 crore in 9,166 cases but no recovery was made.

A few illustrative cases involving ₹ 8.99 crore are discussed in the following paragraphs:

#### **4.4 Non recovery of cost of proceedings**

Rule 4 (a) of the *Chhattisgarh Lokdhan (Shodhya Rashiyon ki Vasuli) Niyam*, 1988, provides for levy of cost of proceedings, at the rate of three *per cent* of the principal amount recovered.

We scrutinised (between May 2012 and March 2013) the Revenue Recovery Certificate (RRC) Registers in the office of the Collector, Ambikapur for the period October 2010 to March 2013 and found that the Collector recovered ₹ 3.74 crore through RRC during the period October 2010 to March 2013. On this recovered amount, cost of proceedings at the rate of three *per cent* amounting to ₹ 11.23 lakh was leviable. However, the Department neither included the amount of cost of proceeding in RRCs nor recovered any amount. Thus, non-inclusion of cost of proceedings in RRCs resulted in non recovery of ₹ 11.23 lakh.

We reported the matter to the Government/Department (April 2014) for their comments; their reply is awaited (December 2014).

Similar issue was raised in Paragraph 6.2, Paragraph 5.8.8 and Paragraph 4.7 of Audit Reports (Revenue Receipts) for the year 2007-08, 2010-11 and 2012-13 respectively. The Department recovered ₹ 3.55 lakh out of objected amount of ₹ 6.35 lakh in respect of Paragraph 6.2 of Audit Report (Revenue Receipts) for the year 2007-08. No reply has been received so far for Paragraph 5.8.8 of Audit Report (Revenue Receipts) for the year 2010-11.

#### **4.5 Short Levy of premium and ground rent**

As per para 26 of the Revenue Book Circular, valuation of the Government land allotted shall be determined on the basis of Chhattisgarh Market Value Guidelines or the revised minimum rate, whichever is higher. Further, clause 10 of the Form III of Chhattisgarh Market Value Guidelines provides the valuation of land upto the depth of 20 meters from the main road, the valuation of land shall be determined adjacent to the main road. But if any purchaser purchases the land more than the depth of 46 meters adjacent to the main road, then the entire value shall be determined as adjacent to the main road. *Nazul* land means such land which has no importance for agriculture. According to the Chhattisgarh Government (Revenue and Disaster Management) orders dated November 2009, the Collector of the district has been delegated the power for allotment of land to construct warehouse by State Warehousing Corporation. Premium at 75 *per cent* of market value and rent at 50 *per cent* of 7.5 *per cent* of premium was to be collected from the lessee.

During scrutiny of land allotment files in the office of the Collector (*Nazul*), Janjgir-Champa (May 2013), we found that the *nazul* land admeasuring 12.72 hectare (ha) was allotted on lease between October 2012 and April 2013. Further scrutiny of the map enclosed in the file and other records revealed that the land was situated adjacent to the main road. As per the rates approved in the market value guidelines, the market value of this land was ₹ 12.67 crore. Thus, premium at the rate of 75 *per cent* of market value amounting to ₹ 9.50 crore and yearly ground rent at the rate of 50 *per cent* of 7.5 *per cent* of premium amounting ₹ 71.26 lakh was leviable. However, the Collector

determined the market value of these lands as off the road and levied the premium of ₹ 1.40 crore and yearly ground rent of ₹ 7.55 lakh accordingly. Thus, inaction on the part of the Collector to determine the market value in accordance with guidelines resulted in short levy of premium of ₹ 8.10 crore and land rent of ₹ 63.71 lakh.

After we pointed this out (May 2013), the Collector stated (May 2013) that the premium and ground rent was determined as per the report of inspecting officer. However, the action would be intimated after verification.

The matter was reported (June 2014) to the Government/Department for their comments; their reply is awaited (December 2014).

#### **4.6 Short levy of stamp duty due to acceptance of unduly stamped instruments**

Section 33 of the Indian Stamp Act provides that it would be obligatory on every public officer to impound cases which are unduly stamped and initiate action under Section 38 of the above Act. Similarly, as per Section 35 of the above Act, instruments not duly stamped inadmissible in evidence. Section 17 (1)(b) of Registration Act stipulates that other non-testamentary instruments which purport or operate to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, of the value of one hundred rupees, and upwards, to or in immovable property are compulsory for registration. Further, the Government instructed all the Revenue Officers in December 2009 that mutation of properties on the basis of unregistered documents is not in order.

During scrutiny of mutation orders in the office of the *Tehsildar*, Lormi, Patan, Kasdol and Masturi we found that in eleven cases, co-owners of the properties had transferred their rights to another co-owner of the properties. Thus, these documents should have been treated as release deed. As per the Registration Act, these should have been registered compulsorily and stamp duty and registration fees amounting to ₹ 13.76 lakh was leviable on the market value of ₹ 2.86 crore of these properties. However, these executants executed each documents on the stamp of ₹ 50 without any basis and did not submit for registration to the Sub-Registrar. The *Tehsildars* instead of referring the cases to District Registrar concerned for recovery of the balance stamp duty, not only accepted the non-duly stamped cases as evidence but also decided the mutation of properties as mentioned in these documents. Thus, non-compliance of the Act and direction of the Government by *Tehsildars* resulted in short realisation of stamp duty and registration fees amounting to ₹ 13.76 lakh (*Appendix 4.1*).

The matter was reported to the Government (June 2014); the Government replied (September 2014) in four cases that demand notice of ₹ 8.61 lakh has been issued. Report on recovery is awaited. For the remaining cases, no reply has been received (December 2014).