

## CHAPTER-V OTHER TAX AND NON-TAX RECEIPTS

### 5.1 Results of Audit

Our test check of records in the Revenue Department, offices of the Collectors and Mamlatdars (LR) and various departmental officers relating to Electricity Duty and Mining Receipts in the State during the year 2014-15 revealed underassessment of tax and other irregularities involving ₹ 34.13 crore in 255 cases, which fall under the categories as mentioned in **Table 5.1**:

**Table 5.1**

| Sl. No.   | Category   | No. of cases | Amount (₹ in crore) |
|-----------|--|--------------|---------------------|
| <b>A</b>  | <b>Land Revenue</b>  |              |                     |
| 1         | Non/short levy of occupancy price/premium price  | 35           | 13.77               |
| 2         | Non/short recovery of Non Agricultural Assessment and conversion tax   | 119          | 10.88               |
| 3         | Other irregularities   | 48           | 5.62                |
|           | <b>Total</b>   | <b>202</b>   | <b>30.27</b>        |
| <b>B</b>  | <b>Electricity Duty</b>  |              |                     |
| 1         | Non/short recovery of inspection fees, Non/ short levy of Electricity Duty/ Irregular refund of Electricity Duty | 15           | 1.37                |
| 2         | Other irregularities   | 1            | 0.15                |
|           | <b>Total</b>   | <b>16</b>    | <b>1.52</b>         |
| <b>C.</b> | <b>Mining Receipts</b>   |              |                     |
| 1         | Non/short levy of dead rent/surface rent and royalty/interest  | 16           | 1.17                |
| 2         | Other irregularities   | 21           | 1.17                |
|           | <b>Total</b>   | <b>37</b>    | <b>2.34</b>         |
|           | <b>Grand Total</b>   | <b>255</b>   | <b>34.13</b>        |

During the course of the year, the Department(s) accepted and recovered under-assessment and other irregularities of ₹ 5.46 crore in 46 cases.

A few illustrative audit observations involving ₹ 5.67 crore are mentioned in the succeeding paragraphs.

## 5.2 Short levy of premium price

As per the Government of Gujarat, Revenue Department Resolutions<sup>1</sup> issued under Section 43 of the Gujarat Tenancy and Agricultural Lands Act, 1948 in case of conversion of land under new and restricted tenure to old tenure, premium at the prescribed rates is required to be recovered by the concerned collector. The market value of the property is determined in accordance with the *jantri*<sup>2</sup> rates and subject to the conditions prescribed therein.

During test check of the records including the orders for change of tenure of land of four Collector offices<sup>3</sup> for the period 2012-13 and 2013-14, we noticed<sup>4</sup> that premium price of ₹ 5.67 crore was short recovered in six cases. These cases have been explained in **Table 5.2**.

**Table 5.2**

| Sl. No. | Name of Collector/<br>Number of cases /<br>Date of Assessment     | Nature of observation  | Non/short levy of premium price<br>(₹ in lakh) |
|---------|---|--|--|
| 1       | Gandhinagar and Surat<br>3<br>July 2013<br>January and March 2013 | The Government Resolution dated 3.12.2011 provides that where the market value of the property is not prescribed in the <i>jantri</i> in the case of conversion of land under new and restricted tenure to old tenure for residential purposes, twice the agricultural rate of the same survey number of the property should be considered for the purpose of levy of premium. The rate of premium was 40 <i>per cent</i> of the market value of the property.<br><br>The Collector converted the land under new and restricted tenure to old tenure for non-agricultural purpose. The rates of the land for residential purposes were not provided in the <i>jantri</i> . As such, twice the market value available for agricultural land was required to be taken into consideration for the purpose of levy of premium. Accordingly, a premium of ₹ 11.80 crore on market value of ₹ 29.50 crore was required to be paid instead of ₹ 7.18 crore on the market value of ₹ 17.96 crore levied by the Collector. Though the Collector had applied non-agricultural rates, but these were calculated at the rates available in the vicinity of the land. | 461.69   |
| 2       | Collector (LR), Valsad<br>2<br>December 2013 and May 2014         | Government Resolution dated 18.12.2004 provides that in case of conversion of new-tenure land to old tenure, premium price is to be recovered on the estimated value as per <i>jantri</i> rates or sale consideration of land, whichever is higher. The rate of premium was 40 <i>per cent</i> of the market value of the property.<br><br>As per the two conveyance deeds, two industrial undertakings had purchased new and restricted tenure land for <i>bonafide</i> industrial purpose for a consideration of ₹ 2.67 crore. However, the Collector considered the market value of land of ₹ 58.93 lakh as per <i>jantri</i> rates and recovered premium accordingly.<br><br>After we pointed this out, the Collector (LR), Valsad intimated that in one case the applicant had paid the deficit premium price   | 83.37  |

<sup>1</sup> Dated 13 July 1983 read with the Resolution No NBJ-102006-S 71-J (Part 2) dated 04.07.2008

<sup>2</sup> Annual Statement of Rates issued by the Government showing the rates for the purpose of determination of value of immovable properties and levy of stamp duty.

<sup>3</sup> Gandhinagar, Surat, Vadodara and Valsad

<sup>4</sup> March to November 2014

|   |  |   |  |
|---|--|---|--|
|   |  | of ₹ 51.24 lakh under protest while the reply in another case has not been received.  |  |
| 3 | Collector<br>(LR),<br><u>Vadodara,</u><br><u>1</u><br>May 2006 | Government Resolutions dated 16.03.1982 and 18.12.2004 provide that in case of new-tenure land converted into old tenure land, if sold subsequently at higher price, premium should be recovered either at the estimated price as per <i>jantri</i> or price received at the time of sale whichever is higher. The rate of premium was 75 per cent of the market value of land.<br><br>The Collector had recovered premium price of ₹ 20.27 lakh at the date of conversion from new to old tenure on the market value of ₹ 27.02 lakh on 08.05.2006. However, the applicant sold the property on 19.05.2006 for ₹ 56.87 lakh indicating therein the value of land was assessed short by ₹ 29.85 lakh involving short levy of premium of ₹ 22.38 lakh. | 22.38                                  |
|   | <b>Total</b>   |   | <b><u>6 cases</u></b><br><b>567.44</b> |

We pointed out these cases to the Department in March 2015 and to the Government in May 2015; their replies have not been received (October 2015).



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The 24 February 2016

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The 25 February 2016

